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West Europe Report



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SDP ASKS GOVERNMENT TO TRANSFER MISSILE FUNDS

Copenhagen BERLINGSKE TIDENDE in Danish 10 Apr 84 p 3

[Article by Michael Ehrenreich: "Anker J. Says to Schluter: 48 Million to NATO Must Be Returned"]

[Text] The Social Democrats [SDP] want to be sure that Denmark will not appropriate sums for the stationing of new nuclear missiles in Europe. The guarantee already exists now, said Defense Minister Hans Engell.

The chairman of the SDP, former Prime Minister Anker Jorgensen, in a letter to Prime Minister Poul Schluter, stated that the SDP wants 48 million kroner removed from NATO's account for infrastructure programs. The money should be transferred to purely Danish military and defense tasks such as the Home Guard, said Anker Jorgensen.

The letter is an answer to a letter from Poul Schluter, in which the prime minister inquired as to the SDP position on the use of the 48 million kroner which is remaining after the original Danish appropriation for medium range missiles of 75 million kroner in the two latest appropriation bills was limited to 26 million kroner.

"It has always been the intention that this money should come out of the infrastructure program. Otherwise the other countries could reduce their share for nuclear missiles, because the conventional part of the infrastructure program acquires 48 million kroner. But we do not want to pay for nuclear missiles--either directly or indirectly," said Anker Jorgensen.

The former prime minister said that this position is in agreement with previous SDP statements and resolutions in the Folketing.

"It was resolved in the Folketing that we will no longer pay for the missile portion of the infrastructure program, and we would be doing that indirectly if the money was merely moved over to the conventional program. I do not know what they will say in NATO. But if there is criticism we will be forced to ignore it. We do not want to contribute to nuclear missiles, as that was resolved in the Folketing," said Anker Jorgensen.

The SDP, according to Anker Jorgensen, has still not taken a position on whether there is a need for a clarification of the Danish position in the form of a resolution during the coming Folketing national security policy debate on 3 May.

Defense Minister Hans Engell would not comment yesterday on the statement by Anker Jorgensen, but Hans Engell has said several times in the Folketing, the latest occasion in an answer on 19 March, that Denmark is able, through a special control procedure, to ensure that no further Danish contribution is made for installation of missiles beyond the 26 million kroner which have already been appropriated.

The control procedure is taken care of partly by the Danish representation in the North Atlantic Council, and partly by the Ministry of Defense, which receives copies from NATO's international staff of the semiannual financial report from the member countries, in which the work in connection with missile deployment is reported.

According to the defense minister Denmark has several times previously, in the NATO committees concerned, made reservations on the financing of missile projects which have been brought up for approval after December 1982, when the Danish contribution for the first time was limited to 26 million kroner by a majority in the Folketing.

9287

CSO: 3613/134

ONKRUIT GROUP BREAKS INTO MEDICINE STORAGE AREAS

Amsterdam DE TELEGRAAF in Dutch 29 Mar 84 p 7

/Article by Rob Knijff: "Theft of Medicines by Onkruid - Hundreds of Thousands' Worth Stolen from Storage Depots"/

/Text/ THE HAGUE, Thursday. The anti-militarist organization Onkruid has claimed responsibility for the well-organized burglary of four medical storage depots of the Ministry of Public Health last Tuesday morning. Justice officials and the intelligence services consider it highly possible that members of the organization did in fact carry out the burglaries.

During the night of last Monday to Tuesday, federal storage facilities in Hoogwoud, Numansdorp, Ommen, and Tiel were simultaneously burglarized. Medicines and medical equipment are kept there for setting up emergency hospitals in case of war or of peacetime catastrophies.

Although police in the North Holland town of Hoogwoud were by chance able to arrest 5 men- about 200,000 guilders' worth of medical equipment has disappeared without a trace, as well as a large quantity of medicines, including in all certainly 1,400 ampules of pure morphine and 1,200 tablets of the addictive painkiller Palphium.

Witness

Based on a tip from a woman residing in Hoogwoud who was unable to sleep and who witnessed the burglary in the Westerboekweg industrial area, police were able early Tuesday morning to arrest men in a delivery van loaded with medical equipment. During the same night two other suspects were taken into custody in the neighborhood of the storage area.

The 5 men are being held at various police stations in North Holland, but until now they have consistently refused to answer any questions. Two of them have even refused to give their names. The identity of 4 suspects has been determined with the help of the Internal Security Service (BVD) and military counterintelligence (CID). They are the 27 year old Zandvoort auto mechanic J.G., the Haarlem student G.D. (22), and the Amsterdam students A.H. (26) and G.R. (24). The fifth man is in all probability the 29 year old P.B. from Zandvoort. A number of them are supposedly registered as "sympathizers" of the anti-militarist action group Onkruid.

Four action groups, Onkruit among them, have made calls to a number of newspapers. The other three are: "Women Against Militarism," "Grass Roots Group Against Militarism," and the group "Simon Simon Against the Law Codes."

The action groups gave as a reason the rotting away of valuable equipment for possible use in an atomic war while such equipment was desperately needed in the Third World.

According to the Alkmaar Public Prosecutor Dr. G.J.A.M. Botman, for the time being the suspects will remain in custody for 4 days. "In the meantime we will take inventory of the extent of the robbery and then make a decision as to whether the five need to remain longer in custody."

12412

CSO: 3614/68

POLL INDICATES DROP IN LIBERALS' SUPPORT DUE TO MINISTER'S LEAVING

Copenhagen BERLINGSKE TIDENDE in Danish 1 Apr 84 pp 1,14

[Article by Gallup: "Minister's Departure Costs Liberals Votes"]

[Excerpts] Retreat for the Liberal Party [V] and Social Democratic Party [SDP or S]. Henning Christophersen's departure and the SDP self-examination debate may have influenced voters.

The continuing internal conflict in the Progressive Party [FP or FRP] after the election defeat in January is now bringing the party down near the cut-off line for representation in the Folketing of 2 percent.

This is indicated by a Gallup political opinion poll of March. Furthermore, it unveils a retreat for the Liberals in just that period when the party leader Henning Christophersen's candidacy for chairman of the EC commission became known. The Conservative Party [KF or K] made new advances compared with the January and February polls.

Gallup's political index assured the quartet government's political majority alone with the Radicals [R or RV] and without help from the North Atlantic mandate from the Faeroes and Greenland. The index was collected during the period 10-22 March. On 17 March it became known that Henning Christophersen was a candidate for the EC post, and on 16 March the SDP held its self-examination meeting with the labor unions about the election defeat in January.

There are more internal manipulations in the nonsocialist and socialist blocs than shown by the two previous polls following the election. The conservative victory of 4 seats is compensated for partly by a loss by V of 1 seat, and FP gives up 2 of its current seats. R, CD [Center Democrats] and KRF [Christian People's Party] hold unchanged positions with the voters.

SDP appears to have lost a seat during that period of self-examination following the election defeat. SF [Socialist People's Party] gained a seat, but VS [Left-Socialist Party] lost one and is now down to 2.1 percent of the voters, compared with 2.7 in the election.

This is how the seats are apportioned according to Gallup:

<u>Party</u>	<u>Gallup</u>	<u>Now</u>
S	55	56
R	10	10
K	46	42
SF	22	21
CD	8	8
KRF	5	5
V	21	22
VS	4	5
FRP	4	6

Political Index

Question: Which party would you vote for if the election were tomorrow?
Polling Period: 10-22 March 1984

<u>Party</u>	<u>10 Jan 84</u> <u>Percent</u>	<u>Feb 84</u> <u>Percent</u>	<u>Mar 84</u> <u>Percent</u>
Social Democrat	31.6	31.0	31.1
Radical Liberal	5.5	5.5	5.5
Conservative	23.4	24.7	25.6
Single-Tax	1.5	-	-
Socialist People's	11.5	11.2	12.5
Intersocialist Labor	0.1	-	-
Communist Party	0.7	-	-
Marxist-Leninist	0.0	-	-
Center-Democrats	4.6	5.0	4.5
Christian People's	2.7	2.4	2.6
Liberal	12.1	12.1	11.7
Left-Socialist	2.7	2.4	2.1
Progressive	3.6	3.5	2.4
Other*	-	2.2	2.0
Total	100.0	100.0	100.0

*) Parties with less than 2 percent of the votes

Reprint only when attributed to Gallup and BERLINGSKE as sources.

9287

CSO: 3613/132

GREENLAND AFFAIRS MINISTER ON EC WITHDRAWAL, ELECTIONS

Copenhagen BERLINGSKE AFTEN in Danish 23-29 Mar 84 p 8

[Article by Tom Hoyem]

[Text] Greenland's home rule is not a static situation, but a dynamic process, says Greenlandic Affairs Minister Tom Hoyem (Center-Democratic Party) in this evaluation of the Greenlandic parliament's latest resolutions, which have "unique prospects for the future."

Greenland will hold elections on 6 June, but March 1984 will go down in the history of Greenland as the month in which an almost unanimous Greenlandic parliament passed two resolutions with unique prospects for the future. Beginning on 1 January 1985, Greenland will no longer be a full member of the EC. This was the first resolution of this March. The election of 6 June will mean that the "parliamentary system" will have been introduced in Greenland. This is the second resolution of March.

From a strict legal standpoint, the EC resolution was Denmark's decision. Foreign policy matters are under Denmark's jurisdiction. Of course, the government decided to follow the wishes of Greenland, even though we preferred to keep Greenland in the EC. This "of course" explains the essence of Denmark's Greenland policy: we follow the wishes of Greenland where Greenland itself will take the consequences. The new EC agreement was backed by 24 of the 26 members of the Greenlandic parliament.

This puts an end to the deep split that has divided the Greenlandic people for 12 years. In neighboring Sweden we saw a people divided for an entire decade over the question of nuclear power, until a national referendum. The wounds of the Danish people over the EC vote in 1972 have not yet healed. That time still remains in the future. Thus, we can all rejoice with the Greenlandic people over the near-unanimous outcome of the EC question.

Greenland has not turned its back on Europe. Instead, both sides came to realize that Greenland simply is not in Europe, but is a part of the North American mainland. It is difficult enough for some Danes to feel that they are a part of Europe. For a fisherman in Thule, the entire concept is almost an absurdity.

Even during the most heated debate, no one questioned Greenland's security policy. In 1949 K. B. Andersen called Hedtoft after the Social Democrats had led Denmark into NATO and said: "Congratulations! Greenland's defense problems are solved." Anyone who looks at a globe instead of a flat map can understand that remark. Neither Denmark nor Greenland alone could manage that enormous task. An Arctic security-policy vacuum would be an impossibility from the standpoint of realistic politics.

While Greenland is changing its relations with the EC, it is also strengthening its cooperation with the Nordic countries through direct representation in the Nordic Council. This is also a promising development. Powerful forces within the young national consciousness want stronger ties with the Inuits in Canada and Alaska, for linguistic and cultural reasons. This is understandable and basically positive, but contact with the Nordic countries will confirm that the strength of history and of the people are as important as geography.

Greenland and Denmark have shared hundreds of years of a common fate and of deep kinship. Today about 6,000 Greenlanders live in Denmark and about 10,000 Danes live in Greenland.

Of course, there may be some small ripples on the surface of the Kingdom of Denmark, but it would be devastating if the Danes or the Greenlanders saw these ripples as dangerous waves. It would be devastating to Greenland, but it probably would be fatal to Denmark's self-respect, as well. We have done an outstanding job in Greenland and we can be proud of that, but we must also be patient and far-sighted while the young home rule government attempts to find itself.

We must stress both in Greenland and in Denmark that home rule is not a static situation, but a dynamic process. The EC decision was part of this process.

The second decision during March that will have long-range implications is the "introduction of the parliamentary system." A unanimous Greenlandic parliament amended the election laws of Greenland so that early elections now can be called. Elections were to be held in 1987, but now they will take place in June of this year, so that this term will last only about 1 year.

Early elections are unfortunate. Since World War II Denmark has held elections about every 2 years, although the official term is 4 years. Sweden now wants to change its election laws because the present 3-year term is considered too short.

Undoubtedly, Greenland will resemble Denmark more and more in the future with regard to political instability. Greenland's Provincial Council, which was replaced by the Greenlandic parliament in 1979, consisted of elected individuals. The political debate in Greenland often is especially personality-oriented and extremely sharp. The three political parties are all even newer than the Progressive Party and the Center Democrats in Denmark. For this reason, it is actually remarkable that the parties were not split by the EC debate. Instead, they held together quite well. Another reason why early elections

in Greenland are unfortunate is that elections there are difficult. Greenland is incredibly large: 2 million square kilometers or 60 times the size of Denmark with only 51,000 inhabitants scattered over this large area. At the same time, the severity of the climate and, especially, its changeable nature make internal communications extremely difficult.

But the political leadership and the style of political life are internal matters of a sovereign Greenland. We must take home rule seriously as a process that cannot be determined in advance. Once Greenland has assumed a certain responsibility, Denmark must keep its hands off. Home rule is not a student council with a principal acting as a safety net. At the same time, Denmark must make clear that it will use its authority wherever that authority remains with Denmark. In the last section of Danish Chronicle, Hammerich describes the development of Greenland from 1957 to 1964. Hammerich speaks of a relationship of trust, "Almost like the relationship between an adult and a child." Today that type of relationship with Greenland would correctly be seen as an insult.

Social processes are irreversible. We cannot--and should not--turn back the hands of time. Greenland must not be forced to live the harmonious natural life in which we nostalgically believe.

What does the present political unrest in Greenland mean to the entire Kingdom of Denmark? Oil exploration in East Greenland is a project that is costing billions. It makes the Danish North Sea look like a good-sized thimble. Strong feelings and complicated negotiations are not made easier by political unrest. The EC changes are not simply made by signing a paper, but thousands of concrete details must be worked out before the New Year. Most important of all, by New Year Greenland must take responsibility for the Royal Greenlandic Trading Company's production and export activities (fishing boats, factories, sheep breeding, seal skins, etc.). This is Greenland's greatest challenge to date. If home rule fails in this task, the entire home rule process could come to a standstill or be destroyed. A strong effort will be required from all sides if home rule is to be a success. There is a fine line between success and ominous failure.

Many Danes either failed to notice the introduction of home rule in 1979 or have misinterpreted it completely. Many, with the best of intentions, speak of Northern Danes and Southern Danes. Greenlanders correctly see this as an insult. From 5 June 1953 when the constitution went into effect until 1979 these terms were adequate and expressed our desire to be one country. In 1979 it was decided that we would each have our own characteristic features. We cannot ignore the problems. We must be patient with the process.

The Faeroe Islands achieved home rule in 1948. As some of us remember, there was a violent battle in Klaksvig 7 years later. Home rule in Greenland is not yet 5 years old. One of the most interesting aspects (even in the upcoming elections in Greenland) is the relationship between centralism (similar to the Provincial Council in Godthab) and decentralization (local self-rule). This is another process that must be worked out.

Danish indifference--even Danish irritation--toward Greenland clearly is on the rise. This may be understandable, but it certainly is not reasonable. It is based on the misunderstanding that home rule is a static situation. It is a dynamic, unpredictable process--a process with which we must have patience, restraint, and firmness in order to act as a catalyst.

The government's policy toward Greenland is simple. First of all, we recognize that both Greenland and Denmark are part of the Western world and we maintain that foreign and defense policies are Danish matters. Secondly, we want Greenland to assume as much responsibility as possible, as rapidly as Greenland considers this possible. We do not even dream of interfering in Greenlandic affairs--not even as a safety net. All responsibilities that remain with Denmark (and there are many of these) will be administered in the same manner as other affairs of state. The home rule process means that Greenland itself has assumed the privilege of taking on its own problems. In March 1984 it solved the Greenland/EC problems. On 6 June Greenland will solve its own political problems.

9336

CSO: 3613/126

CONSERVATIVE PARTY YOUTH GROUP RETURNS FROM FIRST USSR VISIT

Helsinki UUSI SUOMI in Finnish 25 Mar 84 p 3

[Article by Jukka Luoma: "Conservative Party Youths Satisfied; Cemented Relations on USSR Visit"]

[Text] Moscow—The Conservative Party Youth League delegation said that there was consistent improvement in its relations with Soviet youth organizations on its first official visit to the Soviet Union, which ended Saturday evening in Moscow.

At this level new relations with the leaders of the Soviet organizations were entered into during the trip and they among other things discussed international issues.

Conservative Party Youth League chairman Jukka Koivisto described the importance of the visit to the league as being the fact that the league has been "the only major party youth organization that has not had official relations" with the Soviet organizations.

In the opinion of the delegation, the visit, at the invitation of the cover organization for the Soviet youth organizations, the KMO [Soviet Youth Organizations Committee], furthered relations that "were cemented at the start of the 1970's and which became closer at the end of the decade."

In Moscow the delegation met with KMO chairman Vladimir Aksyonov and deputy chairman Gennadiy Vorokuta, who showed up at the Saturday lunch in a silver Mercedes.

In Moscow the young Conservatives' visit is regarded as a welcome event by both parties. According to first secretary Jouko Savolainen, the arrangements for the visit were "irreproachable."

After the discussions engaged in in Moscow, the Finns continued the unofficial portion of their visit by making a 3-day trip to Georgia. They returned to Finland via Moscow. International political committee secretary Anne Palm said that in many respects opinions on international issues ran in the same direction. Both parties were concerned over the heightening of tension in the world situation.

Koivisto said that the discussions were constructive in tone despite the fact that the participants' political and ideological bases are different.

No particular agreements were made regarding further contacts. The delegation presumed that they would meet next during Friendship Week in early April.

11,466

CSO: 3617/132

PRELIMINARY RESULTS OF CP CONGRESS VOTE: BALANCE MAINTAINED

Helsinki HELSINGIN SANOMAT in Finnish 3 Apr 84 p 6

[Article: "FCP Power Relationships Unchanged"]

[Text] The internal power relationships in the Finnish Communist Party will remain as before according to the preliminary results of an election of representatives to the party congress. According to the results, representatives were elected from each SKP [Finnish Communist Party] district in accordance with the recommendations of the district committees.

The party's majority received 196 representatives and the minority 151 representatives to the party congress, which will be held in Helsinki 25--27 May. According to unofficial information, no third-liners were elected to the congress.

The executive committees of the district committees will verify the congress vote during the current week, and the first meetings of representative factions will be held over the weekend. After these meetings are held, a discussion regarding the election of a leadership will be initiated in the party. Chairman Jouko Kajanoja, among others, has expressed his willingness to continue in a leadership position.

The congress elections were unprecedented with respect to the level of participation since an average of 60 percent of the SKP membership went to the polls to express their will.

In the SKP's Etela-Savo District voter participation rose to more than 70 percent. Approximately 60 percent voted in the Helsinki district. According to preliminary information, Construction Workers' Union Chairman Aarno Aitamurto and former SKP Chairman Aarne Saarinen received the most votes in Helsinki.

According to majority sources, the number of votes for the party's minority candidates fell off in Helsinki by 19 percent.

Restoration of Order to Central Committee

SKP First Secretary Arvo Aalto demanded in a speech delivered in Oulu over the weekend that "order and an ability to function be restored to our party,

above all to the Central Committee". This, according to Aalto, is the most important task of the congress.

Aalto demanded the restoration of confidence in the SKP and "in its will and ability to build a functioning unity of workers and beyond that of democratic forces".

Aalto weighed the SKP's objectives of returning to a government of the left and the center and "preventing the Conservative Party from increasing right-wing influence on the country's policies either in cooperation with the SDP or within a framework of cooperation among bourgeois forces after the present government is dissolved". In domestic policies he mentioned a unified concept as a condition for the basic direction of social development.

Minority leader Taisto Sinisalo, who spoke in Kotka on Monday, considered that the congress elections demonstrated that the majority of the membership has given its voice to those candidates who have come out against decisions aimed at discriminatory administrative actions and a factional victory".

Sinisalo, who saw an increasing desire to restore unity in the congress vote, also demanded an explanation of violations of regulations and organizational democracy in certain districts. Even though the elections did not resolve the course of the congress, the result represents an obligation to safeguard SKP unity according to Sinisalo.

The SKP Central Committee will examine the preparations for the congress in the middle of April. By that time all the names of the representatives to the congress will be known.

10576

CSO: 3617/134

DIFFICULTIES IN RELATIONS OF COALITION PARTIES

Amsterdam ELSEVIERS MAGAZINE in Dutch 18 Feb 84 pp 16-20

[Article by Frank Lafort: "The Seven Theses of Ed Nijpels -- Permanent Threat of Crisis"; passages enclosed in slantlines, printed in italics]

[Text] Things are going badly for the CDA [Christian Democratic Appeal] and VVD [People's Party for Freedom and Democracy] government coalition. Last week, Nijpels and De Vries came into direct conflict. The mid-term policy, new retrenchments and the nuclear arms problems are the hot spots which, over the next 6 months, could consume the political base on which the Lubbers administration rests.

Friday evening, 3 February, 8:30 PM. For VVD parliamentary party leader E.H.T.M. Nijpels there had been no time for supper. Thoughtfully, he chewed the last pieces of hamburger, which were washed away with a single glass of red wine. Nijpels: "When CDA parliamentary party leader De Vries says that there are no or few problems between the Christian democrats and the liberals in the Second Chamber, that reminds me of the husband who beat his wife every day with the table leg. The next day the husband saw that his spouse was covered with black and blue marks. And yet he claims that his marriage is a good one. The liberals also have that feeling: every day the CDA hits us with the table leg and the next morning we are supposed to look happy and are expected to act as if nothing is going on."

Things can change in Dutch politics. Barely a year ago, at the VVD party council meeting in Utrecht, Nijpels noted that there was not a single alternative to the current CDA and VVD cabinet. That is still Nijpels' opinion. But the love relationship between the CDA and the VVD has been badly shaken. The pain is particularly deep in the VVD parliamentary party, as evidenced by the seven theses which Nijpels nailed to the door of the CDA parliamentary party last week, in an interview with the ALGEMEEN DAGBLAD.

In Nijpels' opinion, the Christian democrats do not stand by a number of agreements (mid-term memorandum, middle school and retrenchments in the sheltered workshops WSW [expansion unknown]) and in a number of cases they have treated the VVD discourteously: the plea by CDA defense expert J. de Boer to postpone the decision on the stationing of new cruise weapons; the suggestion that the coalition partners are not bound to a possible government decision to deploy new cruise weapons; the proposal introduced by CDA members of

parliament S. Weijers and G. Gerritse that, under certain conditions, they could live with making family allowances dependent on income; and the frontal attack by CDA parliamentary party leader De Vries on Secretary of State Kappeijne van de Coppelio (emancipation).

De Vries continues to react laconically to this barrage of reproaches: "The VVD is reacting with great excitement. I greatly deplore that, because this year this coalition must prove that it is able to get over a number of important hurdles. Just think of the mid-term memorandum, the cuts in social benefit payments as of 1 July, the nuclear arms problems, the preparations for the 1985 budget memorandum, etcetera. The worst possible reaction is to blow up issues or to suggest that a coalition partner is intentionally fanning the tensions. Such an attitude gets in the way of a search for reasonable solutions. You have to try to achieve a discussion on content and take political reality as it is. However, Nijpels should realize one thing full well: this way of operating could easily lead to accidents."

No new noises. As a matter of fact, as early as the middle of 1983 Lubbers let it be known, via their own party newspaper CD/AKTUEEL, that he was "somewhat concerned" about the future of his coalition. Main reason: the permanent campaign of the VVD, according to Lubbers at that time. Now the roles seem to be reversed: following the Christmas recess the CDA launched a spring offensive and it seems to be becoming a tradition for the government parties to tumble out on the street fighting after their winter sleep. If during the first months of 1983 the VVD focussed on such items as double earners, making exterior painting tax deductible, the "eating up" of one's own house, and the budget cuts in the Spring Memorandum, the CDA is now trying to steal the show by striving for more middle school experiments, by gnawing at retrenchments in the sheltered workshops and by providing its own interpretation of the Mid-term Memorandum.

As a matter of fact, this blustering at the electorate does not have to mean blood and murder, as long as they keep observing the rules of the game back and forth. Thus, on 23 March 1983, Nijpels advanced the position at a party meeting in Zwolle, that liberals and Christian democrats should be able to put their own accents on the policy of the administration. Nijpels suggested that the only condition for this is that it should be done in good harmony with the coalition partner. Given the head-on collisions which have taken place in recent weeks between the CDA and VVD parliamentary parties in the Second Chamber, this "internal dialogue" does not seem to be very successful. VVD parliamentary party leader Nijpels feels that it is necessary at least for Prime Minister Lubbers himself to intervene and to "say a few productive words" to the CDA parliamentary party.

Dr De Vries is not happy at all with this invitation: "We have a prime minister whose task it is to keep the administration together. Parliamentary party leaders are supposed to provide leadership to their parliamentary parties. If in Mr Nijpels' opinion something has gone wrong in the CDA parliamentary party, then I would not turn to Vice Prime Minister Van Aardenne either, would I? We must keep the functions separate. Besides, there are a number of strange aspects to Nijpels' appeal to Lubbers to act as arbiter. If no irregularities have taken place, then there is nothing for an arbiter to do.

Therefore: Nijpels places the prime minister in the dock while there is no charge to be brought."

On the other hand, Nijpels continues to maintain that Lubbers should step in. He is after all the leader of the coalition cabinet. Nijpels: "If serious problems arise among the government parties which also touch the administration, then the prime minister's first task is to find out what is going on. Especially because Lubbers is also the political leader of the CDA and also when the problem relates to agreements made between the CDA, the VVD and the cabinet. He then has to take off his CDA hat and wear the coalition hat. Anyone who says that nothing is going on with the coalition must be blind and deaf even though they can see and hear. Thus the CDA did not bother about the compromise on the mid-term memorandum. At the last moment, the Christian democrats wanted to make changes. And: during the discussions concerning the budget of the Ministry of Education, the CDA introduced a motion requesting a substantially greater number of middle school experiments. It is clear that this motion was meant to nag the VVD. During the past few weeks we have striven for compromises -- for which we have run our legs off. But they were impossible to achieve with the CDA. Worse yet: negotiations were turned down flatly. The discussion was disposed of by the CDA with the words: this is our opinion and we will see what happens further in the Second Chamber. A great deal can be said about the VVD, but not that we do /not/ stick to agreements we have made."

However, many voters will have honestly wondered whether it was necessary to display publicly the deep dissatisfaction of the VVD with its coalition partner, the CDA. Nijpels: "First of all, it was the CDA which publicly read us a lecture last year. Furthermore, over the last 5 or 6 months the VVD has specifically avoided sharpening the oppositions on a number of points. I would mention such issues as abortion in the health insurance package, family allowances for children of foreigners, etcetera. In short: we have been very calm. However, when we noted in recent weeks that the CDA was no longer willing to continue talking to us about a number of issues, we thought: let us make clear to the people what is going on. That was the unanimous opinion of the parliamentary party. We were so irritated about a number of points that it would have affected a consensus on really substantial matters, such as the Spring Memorandum, the 1 July package and the nuclear arms problems. We wanted to act preventively and at the same time make sure that in the future we would also interact decently with each other concerning small points. It was precisely to prevent tensions within the coalition from running too high that we pulled the bell. After all, desperate diseases require desperate remedies."

However, the shock therapy which Nijpels has applied in recent weeks did not go down well with the CDA parliamentary party, said De Vries. He feels that the liberals are deliberately pushing matters to extremes. De Vries: "Take, for example, the Mid-Term Memorandum. If you cannot get it worked out beforehand, then you have to do it in the Second Chamber. Then you have to try to find one another there." Premier Lubbers is said to have tried to influence the position of the CDA parliamentary party with regard to the handling of the Mid-term Memorandum in the Second Chamber. And not completely without success. Specifically, last week Monday the VVD and the PvdA [Labor Party]

assumed that the Christian democrats in the Second Chamber would support the effort of the broadcasting organizations to get direct access to television viewers, as the business world does. Even though during the debate CDA spokesman Van der Sanden gave a number of non-committal replies, he was opposed to this effort by Hilversum. Did Lubbers' mission succeed then?

De Vries said laughingly: "Sometimes it is too bad that the decision lists of our parliamentary party meetings are not public. You would have read in them that on the Wednesday before the discussion of the mid-term memorandum in the Second Chamber we were already opposed to an independent role for the broadcasting stations on the cable, but did not exclude their being involved with it one way or another. Nijpels knew this point of view. He also knew that I would not be able to attend the next Friday's discussions with Lubbers, Van Aardenne, Brinkman and Nijpels. And this because of obligations elsewhere."

Even more sensitive than the Mid-term Memorandum -- this time bomb has been eliminated for a while -- is the controversy between the CDA and the VVD about the proposed retrenchments in the sheltered workshops. On this issue, both parties have taken up their own fortified position in enemy territory. As far as Secretary of State De Graaf (Social Affairs and Employment) -- who in the meantime has been put in charge of curing the souls of the CDA and the VVD parliamentary parties -- is concerned, it has become virtually impossible to get out of this fraternal war unscathed. The question remains whether "confessor" De Graaf has been given enough indulgences to bring the coalition partners closer together.

The government official's mission work has run into a great deal of distrust, specifically from the liberals. Their worst grievance is that Secretary of State De Graaf has entered into an agreement with the spokeswoman for the CDA parliamentary party, Mrs M.G.H.C. Oomen-Ruijten, in spite of the fact that originally the government official had serious objections to Mrs Oomen's proposals. The price of this compromise: a 10 million guilder hole in the 1984 budget; at least 15 million guilders in 1985; 25 million guilders in 1986 and later on 45 million guilders annually. Furthermore, substantially less seriously handicapped individuals (the so-called B-category) will be able to get a little job in the sheltered workshops.

All of this is unacceptable to the VVD and, if a satisfactory compromise does not come out of the bag soon, the liberals will vote against De Graaf's retrenchment plans, which would produce a 13 million guilder hole. And this for reasons of principle, said Nijpels: "Aside from the fact that in our opinion the bill for the handicapped turned out worse rather than better, the discipline of budgetary cuts is also at stake. If we don't hold to that, then we will soon end up with an avalanche of amendments and emotions about every subject, which would make financial holes in the budget. We cannot tolerate that. Of course amendments can be made to government proposals, but then the responsible party should at the same time provide an adequate backing, for which there is a majority in the Second Chamber. Backing for which there is no majority, is no backing! We really cannot go ask everybody. On 1 July, for example, the reduction of social benefit payments will be on the agenda. At issue: 750 million guilders. A difficult operation which, if we want to

maintain the goals of the government agreement, will have to pass without being abridged."

If the liberals really want to achieve this then they cannot, in the judgement of the cabinet, let the mediation effort of Secretary of State De Graaf concerning the WSW issue, fail. On the surface, for example, it is particularly hard to explain to the electorate why the administration is being sent home for 10 million guilders.

A further complicating factor for the VVD is the fact that during the past week Prime Minister Lubbers took a position behind the CDA parliamentary party with regard to the WSW issue. In exchange for this, Prime Minister Lubbers cautiously supported the liberals in their rejection of the Hermes (CDA) motion requesting the expansion of the number of middle school experiments by 20 or 30. Looking at the squabbling of the government parties, Lubbers probably thought that it is a fact of life that you cannot get everything.

In both issues WSW and the fight for advanced basic education (the official name for the middle school) -- personal authority is also at stake. Mrs Oomen, for example, had to accept defeat in late 1983 when Minister De Koning (Social Affairs), in spite of her opposition, upheld his plans to reduce youth wages. A second retreat for Mrs Oomen in such a short time would be unacceptable to virtually the whole CDA parliamentary party. The small imperfections are taken along with it.

In terms of the problems related to the middle schools it is a public secret that there is not very good feeling between former Secretary of State Hermes, a proponent of the middle school, and the VVD spokesman for education, J. Franssen, who is very much opposed to the introduction of the middle school. Consequently, a clash between the two antagonists could not be avoided last week. Commenting on this conflict, De Vries said: "Last week Mr Franssen told a very odd story. Specifically that there is an agreement between the prime minister and Minister Nijpels not to further expand the number of middle school experiments. Minister Deetman has denied this. It is true that last year a number of written questions were addressed to the Ministry of Education about the extension of the middle school experiments. The written answers could be reread. The government stated in its response that no new middle school experiments would be started before giving the Second Chamber notice of them. This government response is indeed different from an agreement between the VVD parliamentary party on the one hand and the CDA parliamentary party on the other. The liberals can hold the minister to his word and ask what has happened to that notification. Hence, we would have no problem with it if the minister -- also given our wishes as laid down in the Hermes motion -- were to say: I will introduce the requested notice in a few weeks."

"We have one consolation: Mr Nijpels recently noted that he puts down in writing as much as possible all agreements he makes with the prime minister. Perhaps he could show the written agreements sometime? As a matter of fact, I don't know of any secret agreements either."

Nijpels' reaction: "Of course I cannot put everything down in writing. Although I do record the most important things. As a matter of fact, to write everything down is impossible because Lubbers and I have very frequent contacts. Fortunately, last week Van Aardenne and Evenhuis managed to remember my statement about the middle schools very well. In addition, I proceed on the assumption of unity within the CDA. When I make agreements with De Vries, for example, I report this within our own committee of government officials. The CDA also has its own committee of government officials. It is remarkable that this kind of misunderstanding never occurs within the VVD, but that during the past decade misunderstandings have always arisen within the CDA."

Mid-term policy, income cuts, middle schools and the nuclear arms problems are four political hot spots which, over the next 6 months, could consume the political base on which the Lubbers administration rests. It was not for nothing that CDA parliamentary party leader De Vries predicted in his New Year's address to his own parliamentary party that the next half year would determine the fate of the cabinet. Whether the four underground peat fires will really manifest themselves as conflagrations which will destroy the bridge, the government agreement, between the CDA and the VVD, is still an open question. Indeed, up to now there has been no real alternative in the Dutch political field of power.

Last week, at a regional party meeting in Heerenveen, CDA parliamentary party leader De Vries stated the position that the PvdA has placed itself out of the game. Dr De Vries: "And that will remain the case if the PvdA persists, as it has been doing since Specifications '81, in its behavior of exaggerating every budget cut operation. The PvdA condemns itself to the opposition if it follows the slogan that a sound financial policy is not compatible with a good social policy or vice versa, that a social policy does not need a responsible financial policy. On the other hand, complications are also imaginable in the PvdA, which are indicative of the discussions within the PvdA about the place and role of the government in society. If the realistic tendency within the PvdA becomes stronger, I would not exclude the possibility of new opportunities arising."

Then a PvdA-CDA coalition after all?

De Vries: "That possibility remains always open, of course. Assume that this coalition of VVD and CDA were to succeed in putting the financial housekeeping of the Netherlands back in order again and to broaden the economic base, then it would be understandable that the love for a future partner who has always fought against the austerity policy, is very limited. Especially not if it also wants to pick the fruits of this laborious recovery process."

However, an effective budget cut policy is primarily a question of long term policy, noted economics Professor C.J. Rijnvos from Rotterdam in the January issue of the journal CHRISTEN-DEMOCRATISCHE VERKENNINGEN. Professor Rijnvos: "In the unlikely event that it does not succeed, then there will be the danger of a continuation of the worsening of the social position of the workers and the gradual undermining of the Dutch monetary system. It is worrisome that the fact that the budget cuts policy is necessary because of the desired position of labor and of the monetary system in our society, is often overlooked."

If the social democrats once again want to have government responsibility, together with the CDA, then they will have to sing a very different tune. Or the PvdA might, following a change of direction, seek the good graces of the VVD. According to De Vries, VVD parliamentary party leader Nijpels is speculating very emphatically on the possibility of a coalition with the PvdA when he tells the ALGEMEEN DAGBLAD: "It doesn't make any difference to us whom we carry out this policy with." De Vries: "It would be a good thing if the VVD -- what is involved here is a possible coalition with the PvdA -- said this not only implicitly but also explicitly." Nijpels said very explicitly: "I consider it out of the question that we would want to or could carry out this government policy with this PvdA. Right now it is a waste of time to think of a PvdA/VVD combination."

On the other hand, social democrat and economics Professor D.J. Wolfson noted in the December issue of LIBERAAL REVEIL: "Liberal rationalism could help the socialists distance themselves from their tendency toward paternalism, and from views which are too romantic about the way society can be guided and built. Socialists, in turn, must constantly continue to ask liberals what has happened to the equality and fraternity of the liberal heritage. It was the liberals who, after the Enlightenment, set themselves up to push back privileges and to emancipate the bourgeoisie. If liberalism were to regain this drive and take a liberal position on the striving toward emancipation which moves socialism, then it would be possible to turn the Netherlands into a very livable country. In 1987, or as much sooner as would seem possible."

Hence, all kinds of things are still possible in this area. De Vries himself has few illusions about the governmental behavior of the PvdA. He says: "As soon as the social democrats participate in a government which must retrench -- look at what happened to the second Van Agt cabinet -- it seems that the PvdA breaks down because of internal tensions. During this government period, we want to carry out policy together with the VVD. Then it will also be shown whether the sense of reality of the PvdA has increased in such a way that another coalition is possible."

How does this sense of reality of the PvdA express itself then?

De Vries: "Next year, for example, the PvdA will also have to start thinking about writing a new election program. What is the reach of this new program; what slogans are we going to enter the electoral campaign with, etcetera."

However, the great stumbling block for the current CDA and VVD coalition appears to be the decision on whether or not to agree before 14 June (elections for the European Parliament) on the stationing of new cruise weapons on Dutch territory. Nijpels has noted that recent statements made by Prime Minister Lubbers and Minister Van den Broek indicate that the administration no longer wants to postpone this. Nijpels: "Given the international situation, the administration can do virtually nothing else but agree with a stationing decision. The VVD will support such a decision. Not because we are all that happy with those missiles. However, it concerns the credibility of the Netherlands within NATO. If we say "no" to the missiles, then we will cause

a rift in the alliance. If the government says "yes" to the missiles, then the CDA parliamentary party will hold the fate of this team of ministers in its hands."

Does De Vries consider the deployment decision worth a cabinet crisis?

De Vries: "I do not rule out the possibility that this could lead to a cabinet crisis."

8463

CSO: 3614/60

PCE'S IGLESIAS CALLS FOR INFRASTRUCTURAL CHANGE

San Sebastian EGIN in Spanish 26 Mar 84 p 7

[Text] Madrid--The address delivered yesterday morning in Madrid's Sports Palace by Gerardo Iglesias, secretary general of the Spanish Communist Party [PCE], was centered on criticism of the socialist government's economic policy, the need for a compact to strengthen the Left, the recovery of the Communist Party and Spain's divorce from the Atlantic Alliance.

Facing an audience of 5,000 people, according to the party organizations, Gerardo Iglesias accused the socialist government of confusing "governing with issuing orders" and of implementing an economic policy "by decree and repression against the workers."

The security general of the PCE--who had pointed out that the meeting was in keeping with the constant determination of the communists to encourage citizens to become involved and to mobilize for an active participation in politics--said that "we communists will not remain silent, because silence breeds authoritarian rule."

During his long address, which lasted approximately 1 hour, Gerardo Iglesias stressed the need for a change of direction in the country's policy because since the socialists came to power the only thing that had happened was "a change of government" and what was needed was a "change in the economic structures." "There ought to be," he said, "a before and an after 28 October."

According to the PCE's secretary general, "the economic policy followed until now has been a total failure" and instead of generating 800,000 new jobs as promised, there are 300,000 more people unemployed 15 months after the PSOE [Spanish Socialist Workers' Party] took office.

There Is No Change

In the view of Gerardo Iglesias one cannot speak of change unless several requirements are satisfied; requirements such as the democratization of the state-owned enterprises, the intensification of the complete agrarian reform, the reestablishment of an effective control over the financial system, the nationalization of banks, the all-out drive against tax evasion and the democratic reform of the Social Security System.

After criticizing what he sees as the industrial reconversion of the prime minister and repeatedly describing the members of the Right as "cavemen", the secretary general of the PCE said that "the PCE is ready to participate in a dialogue and in negotiations to end the economic crisis" and he called for "the creation of a powerful united front of the authentic Left, not to oppose the PSOE, but to restore a balance in the Left and to check the Right."

Gerardo Iglesias, who started his address by expressing solidarity with the Sandinist revolution, said that the government has turned away from "change" in foreign policy because it had conformed to the line of "warmongering and armaments." He claimed that Spain has a prominent role to play among the nonaligned countries and insisted on getting more information about the negotiations with the EEC.

He noted that the PCE will bring maximum effort to the organization of the big demonstrations "for peace" scheduled to take place on 20 May in the 17 autonomous communities prior to the mass rally "of the peoples of Spain" which will be held on 3 June in Madrid.

Finally, Gerardo Iglesias also criticized the minister of interior and said that the government was trying to solve the problem of street safety "by doing away with the progressive reforms."

He realized that drugs are one of the main reasons for the rise in street crime but other contributing factors are the economic crisis and unemployment, and he called for effective action against the big heroin traffickers.

Referring to the crisis within the PCE, Gerardo Iglesias said that the party had become stronger since it held a congress and that it had undergone a renewal in its internal practice and social practice.

Adolfo Pinedo, secretary general of the Madrid communists spoke before Iglesias and he said that the present government "is not a government of progress" but that it does "whatever the banks want." After stressing the recovery of the PCE, Pinedo reported that 500 new members had joined the communist party in Madrid during the first 3 months of the current year.

8796

CSO: 3548/227

RESULTS OF FOREIGN MINISTER'S RIYAD TRIP

Madrid ABC in Spanish 2 Apr 84 p 15

[Text] Riyadh (EFE)--The Spanish foreign minister asserted yesterday in the capital of Saudi Arabia that "Spain has no plans to establish diplomatic relations with Israel in the near future, but only when it may suit our national interests." Among these national interests observers say that economic ones have priority; these are the ones which have led Fernando Moran to make this journey.

Yesterday Fernando Moran denied, after meeting with his Saudi counterpart, Prince Saud el Faisal, that his trip through the Middle East was being made for the purpose of "exploring whether Spain should or should not establish diplomatic relations with Israel. The Spanish Government's position on this matter is clear, and Prime Minister Gonzalez also said as much when he visited this region a month ago--as I also have on numerous occasions. Spain is a sovereign nation, and she will take whatever actions are most appropriate for her in carrying out her international relations."

Both Fernando Moran--who did not have a meeting with King Fahd as has been expected--and Saud el Faisal confirmed that the Saudi crown prince, Abdullah ben Abdul Aziz, and the Riyadh government's foreign minister himself would be making a visit to Spain. The visit of the crown prince, who is also assistant prime minister and holds the position of minister of the interior, will take place in October or November. The visit of the foreign minister will take place in May, and he probably will go to Seville for the celebration of the 800th anniversary of the building of the Giralda. It is clear that Spain's objective in the Middle East is to increase its economic and commercial presence, in such a way that the "traditional Hispano-Arab friendship" does not continue to be--as it has been up to now--a mere empty phrase. At present the balance of trade between Spain and Saudi Arabia involves a deficit for our country of more than 700 million dollars. This imbalance could be corrected in a short time with an increase in sales of Spanish arms to Riyadh, which are still limited by an agreement according to which the amount of sales may not surpass 150 million dollars. It would be an important step to increase this limit. But it would be more important for Saudi Arabia to open its doors generously to Spanish

capital. All in all, it will not be easy to find new sources of economic activity. According to a member of the Spanish delegation, "In order to break into these markets, we must exert a great deal of pressure; we must use existing channels and make our presence felt." One institution which could act as a channel for this presence is the Hispano Saudi Bank, created in 1978, which is dedicated to strengthening our country's commercial relations with Arabia and the area of the Middle East.

8131

CSO: 3548/229

OZAL OVERTURE TO ATHENS, RELATIONS WITH FRG

Zurich NEUE ZUERCHER ZEITUNG in German 5 Apr 84 p 4

[Text] C-1. Ankara, 2 April--As briefly reported previously, the Turkish Premier Ozal on Saturday again made Greece an offer of friendship. After the overwhelming victory of his Motherland Party in last week's local elections, the head of government called a press conference. To the amazement of the media representatives Ozal announced, as a gesture of good will toward Athens, that the Turkish Government would abolish the visa requirement for Greek citizens entering Turkey. Responding to a correspondent's question, he stated that conditions were not yet ripe for a summit meeting between himself and the Greek prime minister, since Ankara was not interested in a "show without substance" but in an agreement in the truest sense of the word. A meeting between the heads of government could take place only after thorough preparations and under favorable conditions.

'Testing' the Athens Government

The visa requirement was introduced following the Cyprus crisis of 1964 and led to the relocation to Greece of Greek citizens residing in Turkey. Ozal said that Greeks formerly professionally engaged here could now return to Turkey to resume their former activities. He further stated that it was the aim of his government to revitalize relations with Greece, and that his government would continue its efforts, even though Athens had not responded to the offer of friendship.

Ozal put the Athens government to the test, in a manner of speaking, by asking Greece to show a positive response to Ankara's gesture of good will of abolishing the visa requirement, should it seriously want to initiate friendly relations with Turkey. No government in Ankara has accommodated Greece to such an extent since the Cyprus crisis and none could have afforded to take such a step for fear of possible popular disapproval. Diplomatic circles in Ankara received this gesture with appreciation as an expression of statesmanlike conduct without hidden demagogic motivations.

Ozal commented on the attitude of the foreign policy committee of the American Senate, which made increased military aid to Turkey dependent on the condition that Famagusta be turned over to the Cypriot Greeks, stating that such reputed exercise of pressure would lead the Cyprus problem to a dead end, just like that of the weapons embargo initiated in 1974. Such tactics were evoked by the upcoming elections in the United States. The previous day Ozal had also explained

to the American ambassador that pressure by Ankara on Denktash to induce him to make concessions at the expense of Cypriot Turks was out of the question. Foreign Minister Vahit Halefoglu and President of Parliament Necmettin Karaduman have made public statements in support of Ozal's intransigence. Political circles in Ankara regard it as remarkable that Ozal apparently wants to show "magnanimity" toward Athens but disapproval toward Washington. The American requests of Ankara have caused the Russians considerable concern. In March Moscow sent Gromyko's deputy Kornienko on a surprise visit to Ankara where, contrary to customary protocol, he personally handed President Evren a mysterious message. Washington is probably now going to find the Turks less receptive than before.

Expansion of Cooperation with Germany?

There is now speculation in Ankara whether Turkey will ally itself more closely with the Federal Republic at the expense of the United States. Since the Kohl government assumed office, Turkish problems seem to have met with considerable more understanding in Bonn than before. The current visit to Ankara by Minister of Defense Woerner, who subsequently will attend the NATO meeting in Ceschme near Izmir, follows close behind Foreign Minister Genscher's visit and offers excellent prospects for cooperation in matters of defense. Genscher's visit already gave evidence of a basic agreement on increased German military aid to Turkey. Woerner is now here to negotiate concrete details. The Federal Republic could supply Turkey with 120 F-104 fighter planes in several installments and could modernize previously exported tanks. German-Turkish collaboration in the construction of submarines continues in the shipyards of Golcuk. Other joint ventures within the framework of German-Turkish collaboration are being considered in the area of military armaments. An expansion of this collaboration, already existing for 20 years, would also benefit Turkey's battle against unemployment.

12628

CSO: 3620/321

BORDER GUARD CHIEF COMMENTS ON ANTISUB SHIP PURCHASES

Helsinki UUSI SUOMI in Finnish 22 Mar 84 p 3

[Article: "100 Million for Border Guard Ships and Equipment"]

[Text] The Border Guard is procuring its fifth long-distance patrol boat as well as a new heavy coast-guard cutter. Of these the latter will also be equipped with underwater surveillance equipment for patrolling sea borders.

The ships and the sonar system for the coast-guard cutter will cost a total of approximately 100 million markkaa.

Also new helicopter and aircraft procurements are expected after a committee, which has studied the matter, submits an extensive and detailed report to the Interior Ministry.

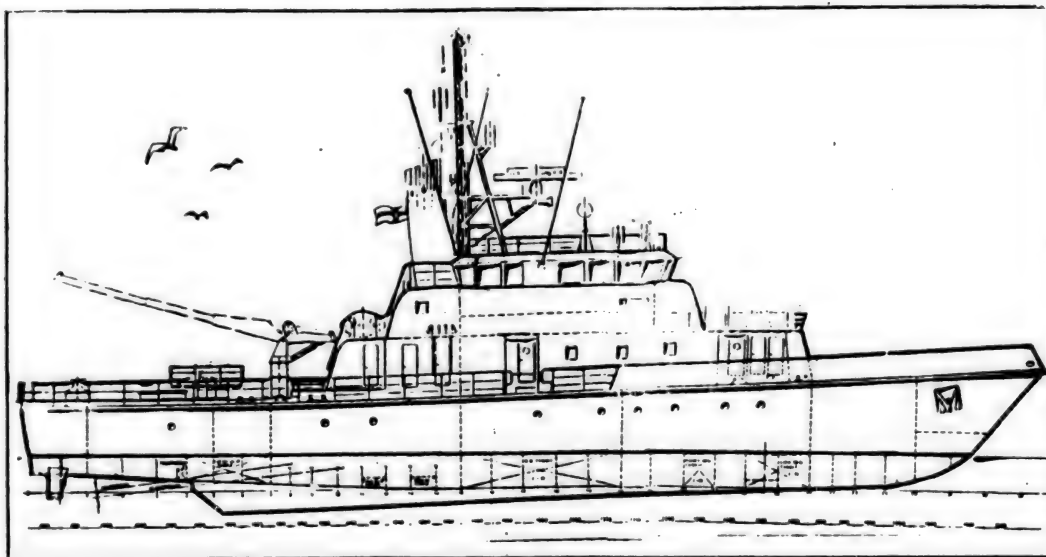
At the Border Guard's anniversary ceremonies Lieutenant General Ilmari Kirjavainen, chief of the Border Guard, emphasized that a stabilized condition of peace and order prevails on Finland's borders. He places special emphasis on this in light of the present international situation.

"All border incidents have been handled precisely in accordance with international laws and treaties," he mentioned.

Whole Fleet Must Be Renewed

The fifth long-distance patrol boat will be the same type in its basic design and structure as the previous four vessels. Of them the newest is the patrol boat Turva, which is a little less than 10 years old. These vessels must be able to travel through ice and perform under winter conditions also.

The heavy coast-guard cutter is, on the other hand, a so-called summer ship. The Border Guard will have to renew these types of boats since the so-called Koskelo-class vessel presently in use will become obsolete by the end of the decade. There are nine of these ships. The new technology in coast-guard vessels will include underwater surveillance.



Preliminary drawing of heavy coast-guard cutter. Funds allocated for it are more than 60 million and funds for the long-distance patrol boat amount to 30 million markkaa. According to Kirjavainen, domestic shipyards will receive bid invitations after an agreement has been reached on the construction schedule.

"In fact, the whole fleet will have to be renewed," points out Lieutenant General Kirjavainen. Initially, it will be a question of a prototype, for which appropriations already exist.

The procurement authorization is contained in this year's budget, and procurements are scheduled for the years 1984--1986.

Helicopters and Aircraft

Border Guard procurements are timely with respect to aircraft and helicopters also: the committee appointed by the Interior Ministry at the beginning of last year has received the task of determining development needs and guidelines with respect to aircraft and helicopters for the Border Guard. The committee has conducted extensive and detailed research and will submit its proposal to the Interior Ministry by the end of March. The proposal also includes recommendations for the procurement of sea rescue helicopters, among other things.

Sea Rescue Responsibility Has Been Transferred

Even though the Border Guard's primary task or the patrolling and surveillance of borders has remained the same over a long period of time, there have been considerable changes with respect to sea rescue service: the responsibility for sea rescue service has, to a great degree, been transferred to the Border Guard, states the chief of the Border Guard.

This according to him means that equipment will be developed in the same manner in sea operations as in surveillance. In addition, it has also become necessary to take the rescue aspect, for example, into consideration in personnel matters.

A ministerial-level work group sought guidelines for increasing Border Guard personnel already in 1980. Since then the Border Guard has acquired additional positions and functions even though it is still quantitatively falling short of the actual needs, points out Kirjavainen.

As responsibility for sea rescue operations has increased, international cooperation has become increasingly more important particularly with Sweden and the Soviet Union, states Kirjavainen.

An agreement on sea rescue operations was concluded with Sweden at the end of 1982, and according to it, joint Finnish and Swedish sea rescue exercises will be held in alternating years. Last year the exercise was held in the fall under Swedish direction in the northern Baltic Sea. This year it will take place under the direction of the Finns.

The agreement on sea rescue operations concluded with the USSR dates back to 1956 and it does not include provisions for joint sea rescue exercises. However, the USSR and Sweden will hold a large joint exercise this year and the Finns have also been invited either as observers or participants.

In addition to sea rescue operations, movement across the border occurring on land as the result of construction work on the other side of the border and the importing of lumber, among other things, is increasing the work load of the Border Guard.

Interior Minister's Position

Interior Minister Matti Luttinen (Social Democrat), who spoke at the anniversary celebrations of the Border Guard in Imatra, considered that an impressive development phase is currently in progress in the Border Guard. He mentioned that the many obligations, sea rescue service above all, will require an increase in personnel. Luttinen emphasized that the strengths determined by the ministerial group in 1980 must be achieved.

In the procurement of ships, aircraft, and helicopters Luttinen considered it essential that these necessary equipment procurements be accomplished in a purposeful manner from the point of view of the needs of the Border Guard and at the same as advantageously as possible to the state.

For these reasons, ship, aircraft, and helicopter procurements are to be arranged as order authorizations in such a way that the equipment will be procured as a continuous series, emphasized Interior Minister Luttinen. In this way the best conditions will be provided for continuous development opportunities and economic savings. At the same time this procedure is also beneficial from the point of view of domestic industry and employment.

The Border Guard's anniversary was observed in all of Finland's land border and coast guard facilities. In addition, a parade was held in Imatra.

A Towed Sonar System

The Interior Ministry authorized the Border Guard to procure a sonar system for the heavy coast-guard cutter being designed. The cost of the system will be a little less than 12 million markkaa.

The sonar system itself will be manufactured in France and the equipment for towing and sinking it into the sea will be made in Canada. None of this equipment will be manufactured in Finland.

The heavy coast-guard cutter is being designed in cooperation with the Navy. The ship is intended for the needs of the Border Guard as well as the Navy. In order to improve underwater surveillance capabilities, the intent is to equip the ship with a sonar system that can be towed and sunk into the sea, states the Border Guard Staff.

10576

CSO: 3617/130

FINAL DECISION MADE TO PURCHASE J-35 DRAKENS FROM SWEDEN

Helsinki HELSINGIN SANOMAT in Finnish 30 Mar 84 p 18

[Article: "Drakens for Pirkkala and Lapland Flight Detachments"]

[Text] The decision that was already leaked to the public earlier to procure used Draken interceptors received the final blessing on Tuesday when an agreement was signed in Helsinki.

The Finnish Air Force is to receive J-35 F Draken aircraft, which according to the Defense Ministry, will reinforce the surveillance of southwest Finland's air space. What is in question is the transfer of half of the Satakunta Flight Detachment's squadron or apparently 12 aircraft to Pirkkala after a year. The semi-squadron and the whole transaction are based on a proposal of the Third Parliamentary Defense Committee.

The Defense Ministry will not reveal the number of aircraft, which is, however, apparently 18--20. Some of the Drakens to be procured will be deployed in the Lapland Flight Detachment where they will replace obsolete equipment as well as aging Drakens. There are six in the detachment.

The first aircraft will be flown to Finland sometime this year. Before they are put into operation, they will be modified to meet the specifications of first-line interceptors already in use in Finland.

The transaction now concluded also includes a compensation condition, according to which the Swedish seller or Forsvarets Materialverk "will strive to make counterpurchases from Finland in an amount corresponding to the value of this procurement".

No information as yet has been given on the details and amounts of counterpurchases. Assistant State Secretary Ake Wihtol's committee, which is working in conjunction with the Foreign Ministry, will make the arrangements in Finland for these counterpurchases.

The J-35 Draken interceptors now being procured by Finland were manufactured at Saab-Scania's Linköping Plants, which produced nearly 600 such aircraft in the years 1959--1977. The first Draken flew in 1955.

These new aircraft belong to the J-35 F model series, which means that they are part of a general manufacturing series. Approximately 200 of the F-model series were manufactured. They have been in use in the Swedish Air Force.

The aircraft, however, still have a lot of flight time left and the Air Force intends to use them, for the most part, until the next decade. A successor to these aircraft was not considered in connection with the purchase according to representatives of the Air Force.

There is no precise information on the weaponry to be installed on the Drakens. According to reliable sources, they will, however, have four heat- or radar-seeking air-to-air missiles and one 30-millimeter gun.

Sweden has previously sold approximately 50 Drakens to Denmark. Twelve DK-pursuit planes have been assembled in Finland and in addition, 15 similar type aircraft have been purchased for the Air Force from Sweden. Of them six are old, most likely the B or "Bertil" models to be used exclusively as training aircraft, six are F-models classified as first-line combat aircraft, and three are two-seater J-35 models.

The Air Force will not give any precise information on the age of its present equipment.

10576

CSO: 3617/130

NAVY PROCURING NEW TYPE SONAR EQUIPMENT

Helsinki HELSINGIN SANOMAT in Finnish 30 Mar 84 p 13

[Article: "New Type Sonar Equipment for Navy"]

[Text] A new type of sonar system, which is capable of being sunk into the sea, is being procured for the Navy. Underwater surveillance is difficult in Finland since temperature fluctuations in the aqueous layers resulting from the changes of seasons form at certain depths a layer which cannot be completely penetrated by signals from stationary sonar equipment attached to a ship's hull. The layers are formed particularly in the summertime.

The decision to procure the system was made on Wednesday in the government's Financial Affairs Committee, which has previously supported the procurement of such equipment for Border Guard ships.

The procurement will be divided into two parts in that the sonar equipment including spare parts will be ordered from the French Thompson Cfs Company and the cable system for the sonar system along with spare parts will be ordered from the Canadian firm of Fathom Oceanology Ltd.

The purchase is based on the authority granted last year for the procurement of equipment in order to improve the underwater surveillance and search capacity of the Navy.

10576

CSO: 3617/130

VAN HOUWELINGEN ON EUROPEAN ARMS COOPERATION

Rotterdam NRC HANDELSBLAD in Dutch 28 Mar 84 p 3

[Interview with Chamber Member and Defense State Secretary for Materiel Affairs Van Houwelingen by J. M. Bik: "Van Houwelingen Has No Qualms About Spending Billions For Defense. Europe Must Choose and Make More of Its Own Weapons"]

[Text] The Hague, 26 March--He spends around four billion guilders per year on defense materiel. He draws, in the process, on a budget that may increase by a real two percent annually, something that the socialist opposition, at the beginning of this week, termed unacceptable at a time when social benefits are being reduced. Does this trouble the former loyalist Antirevolutionary Chamber Member Van Houwelingen, now undersecretary for materiel affairs at Defense? For Billions have flown out the door in recent months: submarines, M-frigates, Patriot anti-aircraft missile systems, a supplementary series of F-16 airplanes--it's just a handful.

"No, it doesn't trouble me at all. We in the ARP [Antirevolutionary Party] had much clearer views on a good defense; we were always averse to the broken rifle. I feel I am fitting in completely with my political upbringing, even though I know there does exist a different image of me as far as that is concerned."

Then, the indeed well-known Antirevolutionary remedy follows, in which a strong conventional defense is to reduce dependence on nuclear weapons (nuclear artillery) and the risk of proliferation inherent in these weapons.

Before he will start answering questions about a better design for the materiel policy within West Europe and NATO, the actual goal of the interview, the state secretary--when asked about this--does want to say something about the possible basing of cruise missiles in the Netherlands. The problem, then, that for years has more and more dominated national political discussion, along with certainly assuring an unusual amount of publicity concerning the outcome of cabinet formations and many a church society.

"I see the cruise missiles as a purely political weapon in the relationship between NATO and the Warsaw Pact. Initially, a military idea stood behind them, but personally I do not estimate this as very high. And I believe rather that the military here prefers the battle-field weapons; they do not want to be

trampled under foot." No, he won't speak about the content of a Dutch basing decision, but he would like to see it taken "today rather than tomorrow."

Own Terrain

Van Houwelingen takes the lead into his own terrain: "The choices concerning modern weapons technologies that must be made in the coming years are more important than those concerning the cruise missiles. Those choices have more to do with the question: Can we prevent war or not? And with the question: Are we in West Europe going to make a limited war possible or not? The Americans are pushing things too hard in this matter; they presented the emerging technology to their NATO partners as a shopping list. We will say that to Secretary Weinberger when he comes to visit" (tomorrow).

Concerning longer-range and more precise new weapons systems, Van Houwelingen thinks the European countries will have to first give their own verdict; a more European policy in this realm and a strategic concept within NATO must come first. He has, moreover, a rather positive view of ideas like those of NATO Commander Rogers concerning the possibilities of being able to penetrate deeper into the interior of the Warsaw Pact in the future with new weapons systems, the Air-Land Battle Plan. "If you look at the development of the Russian conventional armed forces since the beginning of the seventies, Rogers' remedies aren't so strange. But we haven't thought it out yet. It is a matter of preventing war and stability must not be affected."

At the beginning of next week, the Independent European Program Group (IEPG) will hold a 2-day conference in the Hague. This group of NATO countries, including France, was established--in part at the suggestion of the Netherlands--in 1976 and has had a rather flagging official existence since then. Van Houwelingen, who has chaired the group since the beginning of 1984 and will continue for 2 years, wants to use it for a new political initiative in the field of European materiel cooperation. He has traveled a lot for this purpose in the past months, and with success: Next week, only France and Denmark will be represented by officials; the other European NATO countries are sending an undersecretary, a politician.

If it all runs like the Dutch undersecretary wants, a resolution will be passed Tuesday of next week in which the IEPG countries make a political agreement to really strive for cooperation in the realm of materiel. Then, in November, it will come time for a first elaboration of this: "Now, we have to get things on track; in November, we will have to be able to give each other political contracts."

Van Houwelingen's message is familiar, and he is not the first minister at Defense to propagate it. The weapons procurement trade with the United States (the two-way street) is much too much to the disadvantage of West Europe; the European armaments industry is fragmented, organized too much along national lines, and so West Europe is in danger of missing the boat in this technologically and politically important field as well. Modern weapons systems threaten to become unaffordable.

"There must be more European cooperation in the realm of materiel, and not just when weapons systems are being developed but at a much earlier stage. Even France realizes that independent financing of new systems is becoming impossible. For a joint research-and-development fund, something like the EC Esprit plan has to be considered. This and a bringing together of European industries, which you don't subsidize but to which you present a market, is what must be considered." The possible British-French-German-Dutch-Italian development of a new helicopter is mentioned as an example.

Will we now soon have to propose a sort of Buy European Act, and what do the Americans really think of such European ideas?

Van Houwelingen: "The Americans also realize that it is necessary for West Europe to put its own house in order in this realm. The political situation on both sides of the Atlantic has never before been so favorable for this. It is also true of the United States that the money that has to be put into research and development can scarcely be brought in any longer; the United States has an interest in distributing the load. True, a portion of their market will be lost, but the Americans realize that more European cooperation is a must. It is not a matter of a unilateral European action but of a reasonable relationship; Europe must start to operate more on a basis of equality.

"The United States is apprehensive of a possible undercurrent of anti-Americanism in greater European cooperation. French suggestions to discuss defense policy in the narrower context of the West European union have been unjustly viewed as such. I believe that this is a matter of Paris feeling that things can be done quickly in a small group. I am putting out feelers to see whether the IEPG deliberation can be brought quickly up to the politically higher level of the ministers, if we can at least reach an agreement with France on something like that, but there is still little clarity in this matter."

Van Houwelingen doesn't deny that a stronger European industrial cooperation and division of labor could also lead to Dutch industry suffering losses here and there. In the long run, he does not think it possible to develop complete weapons systems in our country, or else it would have to be a matter of retaining the capacity to build naval vessels.

Fifty Billion

The practical policy goal of the undersecretary, whose materiel sector--in conformity with the defense note--is good for around fifty billion in the coming 10 years, is above all to see that as much as possible of this money goes directly or indirectly to the benefit of Dutch industry, preferably 100 percent in the end. "The Dutch taxpayer has a right to this," he says, "whether it is a matter of independent production, coproduction or industrial compensation."

And finally: "The wall runs right across Europe. Europe cannot remain indifferent to the weapons it uses; it has to play a role in choosing those weapons, certainly when coming generations of weapons systems are being considered. We in the Netherlands and in Europe must choose with wider open eyes what we want to have and what we do not want, without excluding ourselves from the technological development."

PREPAREDNESS OF MARINE UNITS QUESTIONED

Rotterdam HET VRIJE VOLK in Dutch 30 Mar 84 p 7

[Text] The Hague--There are all sorts of deficiencies in the readiness of that part of the Dutch Marine Corps assigned to assist in defending the north flank of NATO territory, northern Norway.

This is particularly true of the two amphibious marine-landing units which, together with a single company of marines, serve in this NATO assignment, according to the General Audit Office's annual report released today.

Only on paper was one--the top-alert group, it should be noted--of the two amphibious infantry groups brought up to full war-time strength.

Actually, the maneuvers were performed at less than peace-time strength.

The second group--the secondary-alert one--"had a very low preparedness rating," as the audit office expressed it. "The unit had not actually trained--not even at the staff level," the report stated. Also, too few people were called up for retraining to be able to mobilize enough manpower.

The audit office study also found that the Marine Corps was unable to provide detailed information on manpower readiness. Based on data collected on its own initiative, the audit office concluded that "there is virtually no staged training buildup in the various associated marine units from squad, group, platoon, company on up to battalion level, and that very much time is spent on indirect activities--inspections, weapon and equipment maintenance, administration, 'stand-by' hours--and also on physical training and sports."

Crisis

"There was the impression," the annual report continues, "that the Corps is acting on the assumption that in the period preceding a possible crisis there would be sufficient time for additional battle training."

The audit office maintains that too little consideration was being given to the possibility of what the Americans call a 'come as you are' situation.

It was disclosed that between 1968 and 1980 the number of officers in the Marine Corps increased sharply, whereas the number of enlisted men has dropped by 11 percent.

The study, commissioned in 1980 and 1981, led to a prolonged exchange of letters with the defense minister, which ended only last year.

Before that time, to be sure, the introduction of improvements in readiness, preparedness and training had already gotten underway.

Concerning the quality of marine training in general, the Corps leaders point out that "a representative team of the corps had won the Northern European Command Infantry Competition for the second time in a row."

9992

CSO: 3614/69

NORTH NORWAY COMMANDER CRITIQUES AVALANCHE EXPRESS EXERCISE

Oslo AFTENPOSTEN in Norwegian 28 Mar 84 p 7

[Article by Liv Hegna]

[Text] The greatest weakness revealed during the operation Avalanche Express was found at all levels of the leadership. We have inadequate procedures for leading operations on land with that many soldiers, Lt Gen Ulf Berg told AFTENPOSTEN. He is the commander of North Norway and was the coordinator of this major exercise. Today he is presenting his report at a top-level military meeting at Naval Headquarters at Haakonsvern near Bergen.

With regard to controlling our air space, Berg said this was the first time in history that so many planes had been used in the air. He said that even before the exercise he knew that problems could easily arise: "We had several close calls, but fortunately everything went well," Berg said. He added that most aspects of the Avalanche Express landing and field exercises went according to plan.

What problems did the leadership have?

"Many of the problems we will discuss with the European Command and the Atlantic Command of NATO in Bergen have to do with coordination of large forces at sea, in the air, and on land," Lt Gen Ulf Berg said. He was not responsible, however, for the sea aspect of the Teamwork/Avalanche Express exercises. This was the responsibility of Joseph Metcalf III, head of the American Second Fleet/Strike Fleet. Representatives of the Eastern Atlantic Command in London and of the Northern Command in Kolsas will attend a top-level meeting in Bergen on Thursday to discuss these questions.

What was the weakest aspect of our Norwegian participation in these exercises?

"First of all, I would like to say that we Norwegians have an excellent understanding of topographic and climatic conditions in North Norway. Our problem is that we have not been trained to lead such large groups. Apparently, we will not have the resources for such exercises in the future, either," said Lt Gen Ulf Berg.

Will the experience gained during Avalanche Express result in changes in the future planning of exercises?

"There was nothing wrong with our plans. Overall, it was an extremely good exercise," Ulf Berg said. He pointed out that Canadian Brig Gen Andrew Christie, head of NATO's Fire Corps, called the Express exercise the best his unit had ever had. This opinion was shared by the head of the Royal Marines in Norway, Brig Gen John Martin Garrod: "We did not have a single major problem during the exercise," he said.

The Americans have been in Norway only a few times, while the British may be considered veterans in winter exercises. How do you think the Americans did this time?

"The Americans have entirely different resources that make them capable of dealing with unusual circumstances, but I agree with those who say that the Americans need more training in winter warfare, in order to deal successfully with conditions in North Norway," Ulf Berg said.

9336

CSO: 3639/99

STATUS REPORT ON SPANISH NAVAL PLANNING

Koblenz MARINE-RUNDSCHAU in German Mar 84 pp 103-107

[Article by Admiral Saturnino Suanzes de la Hidalga, chief of the Admiralty Staff of the Spanish Navy; translator: F. Forstmeier]

/Text/ In this column prominent personalities from politics, the armed forces, the economy, technology, and science regularly comment on current maritime problems of their area of responsibility. We are continuing the series with an article by the former (until 16 January 1984) chief of the Admiralty Staff of the Spanish navy.

Spain's geographic and strategic situation is determined by the fact that it has a 3200 km long coastline and 92 percent of its foreign trade is handled by sea. This makes it evident that Spain depends on the sea and must control the sea to survive.

The comprehensive plan of the navy is based on utilizing the relative advantage that is Spain's in its spheres of influence and strategic areas of interest to safeguard maritime traffic and, should the need arise, support amphibious operations.

The Present

To achieve the goals mentioned in the comprehensive plan, a new naval construction program was started in 1965. During the first phase, lasting until 1972, 5 Baleares-class frigates were built and 2 Roger de Lauria-class and 4 Delfin-class submarines (comparable to the French Daphne-class submarines) were commissioned. In addition, the naval air forces and the marines were newly equipped.

In the second phase, in the years from 1972 to 1979, the construction started in the first phase was completed and new construction was started of 6 fast patrol boats each of the Lazaga class (type Luerksen FPB 57) and Barcelo class (type Luerksen TNC 36), 4 Descubierta-class corvettes, 2 Galerna-class submarines, and 4 surveying ships.

In 1977 the government granted permission to continue the construction program with the building of an aircraft carrier, 3 guided-missile frigates, 4 Decubierta-class corvettes (second series), and 10 Anaga-class patrol boats. The air forces were strengthened by the purchase of 10 SHB-60B "Sea Hawk" helicopters and 12 AV-8B "Harrier" aircraft.

The task force planned by the navy had to be somewhat reduced because of unavoidable budget limitations and initially will consist of the aircraft carrier that is capable of starting helicopters and VSTOL aircraft and 3 guided-missile frigates. The navy hopes to be able to increase the number of frigates to 5 to make it possible to provide the aircraft carrier at all times with an adequate number of escort vessels. The additional two frigates are supposed to make up for the two Descubierta-class corvettes that were started in the last construction phase, but were then sold to Egypt.

Thus far the present naval construction program has been mentioned and therefore only new construction. However, it must be kept in mind that over 50 percent of the Spanish navy ships are over 25 years old. This high percentage of obsolete ships may develop into a critical factor by 1995 when no further construction programs are planned.

The "Air-Sea Group"

In September 1977, the so-called "Air-Sea Group" was formed to prepare for the future task force. During subsequent years, the "Air-Sea Group," as germinating cell of the task force, was engaged in intensive, uninterrupted activity to prepare separate guidelines for carrying out tactical experiments and to train qualified staff officers. Thus it created the foundation for the establishment and leadership of the task force.

The "Air-Sea Group" consists of the aircraft carrier Dedalo and its escort vessels. On the ships there are AV-8S "Harrier" aircraft for attack and for interception, Sikorsky SH-3D "Sea King" helicopters for reconnaissance purposes, and antisubmarine operation and Agusta-Bell AB-212 helicopters for transport and reconnaissance purposes and for electronic warfare. The escort vessels of the task force are not always the same vessels. Depending upon circumstances and missions to be carried out, they are replaced; only a Baleares-class frigate, a Churruca-Gehring (FRA-MI)-class destroyer and a Descubierta-class corvette are part of the permanent escort force.

The experience gathered by this group and the attained level of training have exceeded all expectations. This will enable us to incorporate the task force into the fleet with great confidence.

Aircraft Carrier Principe de Asturias

On 22 May 1982, when the keel of the first guided missile frigate had been laid down, the launching of the Principe de Asturias (R-11) at the Empresa Nacional Bazan took place in El Ferrol. The preliminary design was based on the concept of the "sea control ship" designed by the U.S. Navy, a unit that is intended for areas of lesser threat, and was developed by the firm of Gibbs

and Cox. The Spanish navy acquired a license so as to develop the ship thereafter according to its own requirements and later on perhaps to offer it for sale.

The firm of Empresa Nacional Bazan, in close cooperation with Gibbs and Cox, changed the original design in significant aspects. In doing so, it followed the military demand issued by the admiralty staff which had set the goal to use the ship as command ship of the task force.

The principal changes were the following:

1. Installation of an admiral's bridge;
2. Change of the combat control center and the program for the conduct of operations for the computer, not only for the weapons employment but also for operational command. By means of the system, the tactical link is being established with supporting aircraft and ships and thus the task force is merged into a unit with the aircraft carrier as command ship;
3. Measures for shock absorption similar to those for frigates;
4. Installation of a degaussing system;
5. Replacement of the electronic warfare system by other systems that make possible active countermeasures;
6. Installation of four "Meroka" defensive systems developed in Spain to engage point targets, replacing the Vulcan "Phalanx" system;
7. Dismantling of the ASCAC system (antisubmarine warfare classification and analysis center);
8. Adapting the quarters to the needs of the Spanish crew.

F-81 Frigates

The three frigates now being built by the firm of Empresa Nacional Bazan in El Ferrol with respect to design for the most part are based on the design of the U.S. Oliver Hazard Perry (FFG-7) class. Simultaneously with the development and introduction of the new elements in the construction of the U.S. FFG-50 series, two basic innovations were included in new construction: the SH-60B "Sea Hawk" helicopter and the AN-SQR-19 Tactas system, which together form the LAMPS III antisubmarine operations system. Thus the effective area of operations of the task force is being considerably expanded, which provides for adequate time for interception, analysis, and comparisons of the intercepted acoustic signals.

The construction plans of the guided missile frigates have been changed by the navy to make it possible to install the same electronic warfare systems as on aircraft carriers, as well as the "Meroka" defensive system to engage point targets in place of the Vulcan-"Phalanx" system and furthermore to make some changes in the crew quarters, the combat control center, etc.

Parallel with the new construction program, the Baleares-class frigates, the Descubierta- and Casadora-class corvettes and the Lazaga-class fast patrol boats are being equipped with "harpoon" missiles.

The Naval Air Force

The experiences gathered in the twenties and thirties unfortunately were lost with the disbanding of the naval air force in 1939. This disbanding corresponded with the prevailing theories at that time.

A few years later, in 1954, the navy acquired the first Bell 47 helicopters and thereafter the need increasingly developed to have a certain number and certain types of aircraft available to support the fleet. Acquisition of the new aircraft simultaneously entailed the need for the creation of the necessary infrastructure for maintenance and logistics of the aircraft. The airfield that was supposed to serve the naval air force as main base was built in the area of the Rota naval base. After enough experience had been gathered, the navy strengthened its developing naval air force with the purchase of Sikorsky SH-2D helicopters, later with the purchase of AV-8S-"Harrier" aircraft. The creation of the necessary infrastructure and the logistics agreement concluded with the U.S. Navy, as well as the higher level of training contributed to the high degree of operational readiness it has achieved. Undoubtedly the commissioning of the aircraft carrier Dedalo (1967) and the establishment of the "Air-Sea Group" whose home port is also the Rota naval base, have undoubtedly contributed to this readiness.

At present the naval air force consists of seven air wings, which have been assigned the following missions: training, transport, reconnaissance, anti-submarine warfare, electronic warfare, cooperation with fleet units, tactical support, surveillance of the sea area, and attack and interceptor missions.

The 12 AV-8B "Harrier" aircraft are to be put in service by 1986. Added to that are moreover a thus far undetermined number of Sikorsky SH-60B helicopters. Procurement of the latter may well be reduced by budget limitations. These aircraft, together with the SH-3D antisubmarine helicopters, will be assigned to the aircraft carrier Principe de Asturias and the F-81 frigates. In addition to their antisubmarine mission as part of the LAMPS III/Tactas system, the SH-60B helicopters will guarantee over-the-horizon target acquisition for the frigates' "Harpoon" missiles. They can also be used as early warning stations for approaching enemy missiles and thus will facilitate missile defense of the task force. The RAST rescue and safety system installed in the helicopters and frigates makes it possible to carry out operations even during unfavorable weather. So equipped, the task force will be in the position:

1. To guarantee adequate protection to domestic shipping in every crisis or conflict situation;
2. To play an important role in watching over the Straits of Gibraltar as well as the sea lanes running through the area of Spanish maritime interest, which is circumscribed by the Baleares-Straits of Gibraltar-Canary Island axis;

3. To support Western defense forces in case of a crisis or a conflict in the Spanish zone of interests; and finally
4. to form a deterrence force against local threats.

In this connection, it must be kept in mind that the navy feels it is faced with two threats: either a limited conflict in the Mediterranean and Atlantic up to the Canary Island or a general attack by the Warsaw Pact powers. In the first case, Spain would need weapons to engage naval surface units and aircraft to be effective in the difficult Mediterranean theater of war. In the second case, the enemy submarine would be the most serious threat. But the task force will have the capability to provide an appropriate response to both threats. The Spanish navy has participated in maneuvers with the U.S. fleet and other NATO fleets; therefore, integration of the Spanish fleet into the Western defense system would not be difficult. The tactical guidelines and procedures were adapted to those of other NATO armed forces. Even though the Spanish navy has not yet had access to certain information, there is hope that these restrictions will disappear in time. All this depends on the question how far integration of the West's military organization is regarded as possible.

The Future

No navy can remain static. Starting from the assumption that it takes 8 years from design of a warship until its commissioning and that there is a desire to build the ships in Spanish shipyards, then it is necessary even now to think of the future. Even though the financial situation in the near future will restrain our hopes and expectations, nevertheless we are going to be in the position to replace some units and to modernize others.

The following are the most important points of the new investment program:

1. Further development of the Rota naval base to provide the necessary logistic and operational support to the task force units and to the marines (tercio de armada);
2. Building of one or two Spruance-class naval destroyers or a similar type for the purpose of air defense of the task force;
3. Building of 5 escort frigates with onboard helicopters;
4. Installation of early warning radar equipment in some of the SH-3D helicopters to support the task force;
5. Building one LPD unit and 4 LST units for the amphibious forces;
6. Building of 4 minehunters and 8 minesweepers;
7. Installation of suitable radar equipment for the AV-8B "Harrier" aircraft to increase their day and night attack and interceptor capacity;
8. Building of seaworthy guard ships for control of the 200-mile economic zone;
9. Building of a resupply ship.

NAVAL OFFICER DISCUSSES MATERIEL PROCUREMENT FOR SUB HUNTING

Stockholm SVENSKA DAGBLADET in Swedish 20 Mar 84 p 7

[Article by Omar Magnengard: New Plastic Ship Will Hunt Subs and Mines"]

[Text] The submarines that played hide and seek with us near Uto in the fall of 1980, the U 137 in the fall of 1981 and Harsfjarden in the fall of 1982, all three incidents have contributed to the circumstance that Navy Chief Per Rudberg is now beginning to receive countermeasures that might have an effect on foreign intruders.

The first visible evidence comes on Thursday, March 29.

At that time the minesweeper "Landsort" will be delivered and baptized in Karlskrona, a plastic 250-ton vessel, which primarily will "hunt" mines on the bottom.

"But "Landsort" will also be very good against foreign submarines inside the archipelago," Commander Sven Carlsson stresses.

On board is the most modern sonar equipment, and Elma. This is the much talked-about, but so far in the submarine hunt unused, little grenade. It is constructed in Sweden and specially developed for use against submarines. Elma will punch holes in the hulls of submarines and force them up. Hopes the military leadership.

Whole series of grenades can be fired off with launchers from "Landsort".

"A large number of materiel tests have been undertaken. They were very successful," Sven Carlsson admits.

"Landsort" costs about 90 million kronor. Lately she has made a number of test voyages in the Karlskrona area--but without participating in the search for the foreign vessel or vessels which the Armed Forces still believe to be inside the barrier islands.

The sister ship "Arholma" will be completed this fall. In addition, another four minesweepers are under construction.

Helicopters

Thus, the antisubmarine resources are gradually starting to be built up again. Commander Sven Carlsson explains the situation today:

For deployment against mother subs at sea we need more than the seven helicopters we now have. The helicopter force is to be doubled by 1986-87. All the refitting will be finished by then.

Specially equipped ships are also needed at sea. Two coastal patrol ships--to be named "Stockholm" and "Malmo"--are being built and will be in service next year. They will have towed sonar, incident torpedoes and antisubmarine grenades. An additional four coastal patrol ships will be ordered in 2 or 3 years. As a result of the defense settlement the other day, it is possible that placement of the order may come earlier.

The Armed Forces would like to have 3-4 light aircraft for reconnaissance at sea by means of radar and infrared light. At present we are testing such a plane. It has been rented from Swedair.

More stationary, controllable mine fields inside the archipelago. Laying is under way.

The magnetic loops we have had in storage are being laid out now--and more modern magnetic loops are being acquired.

The Armed Forces are acquiring loose sonar buoys, which can be dropped in a suspicious situation. The buoys listen passively to submarines and can tell when one is passing by.

Sven Carlsson says that the Navy hopes to have materiel and trained personnel by 1987, so that special antisubmarine forces can be mobilized with an endurance capability of 3 weeks.

Today 39 nations around the world have submarines.

The Soviet Union possesses the most and the largest. According to available information, the Soviet Union at present has 104 nuclear submarines, 91 strategic (with nuclear missiles on board) and 183 conventional. The United States is said to have 100 nuclear submarines, 40 strategic and four conventional. China is said to have two nuclear-powered ones, one strategic and about 100 conventional submarines.

No data are available for minisubs--with one exception: Libya has purchased two Yugoslav minisubs.

The superpowers are trying to keep track of each other's submarine fleets as much as possible.

For example, U. S. reconnaissance planes are stationed over the Murmansk area and report when Soviet submarines leave. Through a system of sonar buoys from the Norwegian coast via Iceland and Greenland, the Soviet submarines are followed on their continued voyage in the Atlantic.

There it is much easier to follow and monitor a submarine than it is in the Baltic Sea.

The difficulties in the Baltic Sea arise from two factors: The great temperature differentials and the different salinity layers of the water.

The incidents have been many over the years. One of the most spectacular--and previously scarcely mentioned--was what happened to a coast guard as early as 1971.

He has come off his shift and is on his way by boat in the darkness to his fishing hut on Halans Reef, north of Soderarm. When he is almost there, he is suddenly forced to make a rapid maneuver to avoid a previously unknown "reef." There are bubbles around the reef. On it is something that looks like a conning tower, covered by jute. And down in the water a floodlight is shining.

Emergency boats are sent to the area. Simultaneously, investigators are sent to the coast guard's home on Hakans Reef. He is found to be completely sober and in full possession of his faculties.

Nothing is ever seen again of the submarine.

11949

CSO: 3650/163

DEFENSE MINISTER ON CONTINGENCY PLANS FOR MEETING THREATS

Stockholm 7 DAGAR in Swedish 23 Mar 84 pp 14-15

[Article by Claes Lofgren: "Seven Kinds of War"]

[Text] In the directives for the new defense committee the defense minister gives the prescription for how the defense should be focused in order to meet seven different categories of conflicts, from peacetime strains to extensive nuclear war.

"The Navy investigations are continuing with undiminished force. Last night's search was without results, however." The television newsmen should have a stamp made for these constantly repeated phrases.

From all appearances the submarine hunt is over--for now. A careful search of the bottom has been initiated. In mid-April the Armed Forces will submit a final report to the taxpayers about the Karlskrona hunt. Many questions await answers. Nevertheless, the following can be determined so far:

Once more depth charges have been dropped in the idyllic Swedish archipelago. An explosion of nearly four tons of TNT makes a tremendous bang. In particular when it is peacetime, the war can still be turned off with the TV control and the Navy's shooting exercises are normally announced ahead of time on local radio.

To be sure, a small circle of security-political experts and military people have long been debating the increasingly exposed position of the Nordic countries in the superpower game. But it was not until submarine U 137 and Harsfjarden that the security-political debate began to be examined with the dazed eyes of a media world that had just awakened. The correlations between the Navy base on the Kola peninsula, the submarines carrying strategic nuclear weapons, NATO's transportation need across the North Atlantic and the naval shipyards of the Leningrad area, began to appear with uncomfortable plainness.

The common concept that defense and war are an invention of gadget-happy and resource-hungry generals received a blow. Suddenly the nation on the other side of the Baltic Sea, the world's largest country, acquired increasingly sharp contours. Gradually the picture of the evil Ivan, the enfant terrible of international law, appeared. One common conception replaced another.

But behind the cynical, elusive and, with one exception, up to now invisible submarine demon, there is a population of 267 million people. It is a nation which every day is reminded of a war in which 20 million Russians fell. It is a nation which despite political despotism and economic mismanagement is brimming with genuine patriotism.

"Never again," says the propaganda, "will a war be conducted on Soviet soil." And never again, says the same propaganda, will we allow ourselves to be taken by surprise by the imperialists--after all, it wasn't we who started the world wars.

Holy Principle

The difference in mental preparedness for war between the Swedes and the Russians could not be greater. To the Soviet Union the thesis that "the ends justify the means" is almost a holy principle. It is with such a nation in our immediate vicinity that the 1984 Defense Committee begins its work. Anders Thunborg's directives were finished this week.

The main task is to submit proposals for the "direction" of the total defense "after the 86/87 fiscal year." Two essential partial tasks will be to determine the role of the defense in the security policy and to analyze the development of domestic and foreign policy.

In order to solve these tasks the Defense Department's Secretariat for Security Policy and Long-Term Planning (SSLP) has developed a number of scenarios. The work is being done in cooperation with FOA [Defense Research Institute] and the planning section of the Defense Staff. The scenarios are very concrete and therefore classified as secret. But in the government's directives for the Supreme Commander's perspective planning, written last summer, seven categories of conflicts are mentioned and the duties of the total defense in each case.

Conflict category number one, "strains within the framework of peacetime development in Europe," is reminiscent of today's situation. The scenario presumes a gray-zone situation between peace and war. The enemy exists in the form of serious and systematic border violations without being clearly defined. The duty of the total defense is to "detect and intervene against border violations" in order to "contribute to the respect of the rest of the world for Swedish territory."

In concrete terms this means that the Navy "takes the submarine by the tail and hurls it onto the pier," as Jan-Ake Berg at the Defense Staff likes to express the situation with a great deal of feeling. But as long as we fail to do so, Sweden's diplomatic relations with the rest of the world are presumed to function as usual.

On the one hand Sweden needs good relations with the USSR purely out of self-preservation instinct. On the other, there is a limit to diplomatic politeness. Where to draw the line is a question of political judgement. Ulf

Adelsohn is of the opinion that Olof Palme has sent the wrong signals to Moscow. While waiting for the cessation of the violations, ministerial visits between the nations are to be postponed. How would Adelsohn have acted as prime minister?

Difficult Line to Draw

Restrictive diplomacy near the freezing point presumes some kind of effect, ideally that the violations will actually cease. But who believes that?

Seen through Soviet eyes the border violations are also a dilemma. Regardless of the original motives for the submarine visits, they have created a kind of automation of their own. The grounding of U 137 and the Harsfjarden report have probably made it more important than ever to continue the border provocations. Otherwise the world might get the idea that little Sweden could get the Soviet superpower to withdraw. The Kremlin politburo is hardly likely to tremble at the knees over a few video films said to show traces of Soviet minisubs. And, as we said before, submarine captain Gustchin had trouble with his direction finder, compass and radar....

The border violations have no doubt altered the preconditions for the defense planning. The risk of a surprise attack is believed to have increased. The Defense Committee must solve the problem with rapid mobilization and greater incident preparedness.

A weak link is the defense of upper Norrland. One solution is to transfer the last part of the conscript training to upper Norrland--a potentially important deployment area for the superpowers. In that way a relatively large army is always there. Yet another proposal is to stockpile heavy weapons in the area. The previously calculated early warning of over a month is in danger of shrinking drastically in the future.

Seldom have the defense issues been surrounded by such great interest. The possible Soviet intention of creating defeatism among the Swedes with their submarines seems, in military terminology, to have had a counterproductive effect. The Soviet Union's sparse official comments on the submarine hunt have hardly made an impression on Swedish opinion.

The government thus describes seven conflict categories. And despite the fact that the Defense Committee must save 8.3 billion (at the 1982 monetary value) over 10 years, the government believes the Armed Forces are able to cope with their task in six out of the seven cases of conflict. This applies to all categories from "strains within the framework of peaceful development in Europe" to nuclear war with limited use of nuclear weapons in Europe." But about conflict category seven, "nuclear war with extensive use of nuclear weapons in Europe," the government writes the following:

"Designing the total defense for the purpose of defending the country in this situation would not appear meaningful." It is easy to agree.

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NEW ARMY COMMANDER BENGTSSON DEFENDS JAS PURCHASE

Stockholm DAGENS NYHETER in Swedish 9 Apr 84 p 14

[Unsigned article: "New Army Chief Wants Style"]

[Text] New Army Commander Eric G. Bengtsson has a reputation for being considerably tougher than his predecessor. Already in his first week in office he has had time to say a few pungent words about refresher training and too much sloppiness in the Army.

Just how much Erik G. Bengtsson's profile--order, orderliness, responsibility, style--will affect the Swedish Army is not known at this time.

"There was a time at the beginning of the 1970's when Swedish officers lost their grip, a time when the training was sabotaged by leftist infiltrators and became a little too civilian," Bengtsson says.

"I don't want to say that the officers corps is too civilian, but these insecurities in the early 1970's contributed to a little more laxness than was necessary," Bengtsson says.

Disband

The new Army commander wants to find solutions to the financial problems of the Armed Forces other than simply disbanding regiments in various parts of the country.

"I want to go out and get people to participate in positive changes instead of always just aiming for the elimination of units," he says.

Bengtsson stresses that the Armed Forces also have a responsibility for and an interest in keeping working people out there in all parts of the country.

"It is of vital importance to the Armed Forces that people continue to live in Pajala in Norrbotten, for example."

But the Army commander does not exclude potential disbanding of more units:

"Intervention is certainly necessary, but I don't want to come out and say anything--mathematical calculations only make trouble in the countryside."

The peacetime organization of the Swedish Army was criticized very sharply last summer by the Liberal Party's defense politician of many years, Hans Lindblad. He and others have compared the Swedish Army to the Swiss, and arrived at the conclusion that Sweden has considerably more--unnecessary, it is implied--regiments in relation to the number of conscripts.

Erik G. Bengtsson thinks the comparison is a little lopsided, however:

"Switzerland is a small compact country, which can be contained in the military district of upper Norrland. It is important to us to have a military district regiment in each province, to which the defense is tied."

JAS no Cuckoo

The new Army commander is in favor of the new JAS fighter aircraft. Unlike Nils Skold he has displayed a positive attitude.

"Parliament has decided that the JAS is to be built, and I know that extensive studies are undertaken before they make such a decision. I am very well aware that air defense is necessary."

He does not believe there is any risk that JAS will become the "baby cuckoo" that will kick out and do away with general conscription.

"I cannot see that we have any choice between a defense with general conscription and the JAS. We must see to it that we have both."

Refresher Training

As for the more controversial sides of the new Army commander--his image as a "friend of order"--his statements about poor refresher training courses have already attracted attention.

Whoever organizes and heads a poor refresher course must be prepared to personally appear in front of the Army commander and explain, Bengtsson said in his speech even on his first day in office.

"I feel ill when I hear about poor refresher courses. We have 30 years of experience in these training courses, and then they should also function."

"Bringing in a battalion is bringing in 1,000 people from all social categories. They are pulled away from their civilian duties for a month--then they should not be allowed to loaf about in the woods and have nothing to do."

Whoever heads a wartime unit has, according to the Army commander, a great deal of responsibility, and the commander who fails in his duty could create a catastrophe if matters are serious.

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CSO: 3650/167

BRIEFS

REORGANIZATION IN PSYCHOLOGICAL DEFENSE--A new central authority for psychological defense and information preparedness, the Board of Psychological Defense, will be established on 1 July 1985. This is proposed by the government in a bill. According to the government proposal, the new authority will replace the present authorities of the National Psychological Defense Planning Committee, the National Defense Information Office (TUN) and the National Office of Information (UC). The agency's duties will not result in any changes in the guidelines for continued development of the psychological defense established in the 1982 defense decision, that is to say heading and coordinating the planning of the nation's psychological defense, and maintaining and strengthening the population's will to defend itself and its resistance spirit in crises and wartime. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 30 Mar 84 p 6] 11949

CSO: 3650/167

EC RESEARCH POLICY DEVELOPMENT STALLS FOR LACK OF FUNDS

Duesseldorf WIRTSCHAFTSWOCHE in German 9 Mar 84 pp 28-32

In spite of the ESPRIT /European Strategic Programs for Research and Development in Information Technology/ which has just been approved, a common European research policy exists only in an incipient form. Money is in short supply.

In the opinion of French Industry and Research Minister Laurent Fabius, even a really exact science, such as mathematics, sometimes loses its essential quality in the EC. "In Europe, you do not always get two when you add one plus one," the socialist from Paris calculated for the benefit of European social democrats and socialists in Toulouse, in southern France.

The French are irked by the fact that the Europeans do indeed on the whole spend about just as much in the nonmilitary field for research and development as, for example, the Americans--but the result always falls far behind the result of the Americans or the Japanese. "There is a definite discrepancy between our research capacities and the results of our research," the industry minister observed at the Conference of Socialist Research Policymakers in the European Parliament.

According to Fabius' findings, Europe, for example, between 1971 and 1981 spent as much money for research work in the field of microelectronics as did Japan. But today, the Asians dominate almost 40 percent of the worldwide chip market and the Europeans are getting a share of just about 10 percent.

In 1982, the countries of the EC spent a total of about DM125 billion or almost 2 percent of the GDP on research and development. The laboratories of the ten member countries employ almost 450,000 researchers. That is about just as many as are employed by the United States civilian laboratories. "The situation thus is not as bad as it is often pictured," commented Jean-Pierre Contzen, the director who is responsible for research in the Commission of the Community in Brussels.

But the result is poor. "If research policy continues to be split up the way it is now, then, in 10 years," European industry will be threatened "with second-rank standing," France's research and industry minister feared. Rolf Linkohr, the German social democratic deputy in the European Parliament, observed: "Europe, which used to be at the very center of technical progress, today threatens to become just an object of technical progress."

One can only be astonished by all this European wailing in view of tremendous technological achievements which the Old World can also point to. The European rocket called "Ariane" has become a serious competitor for the American space industry which has been force-fed with billions of dollars when it comes to the commercial utilization of space travel. And the Airbus, which is being produced as a part of European production cooperation, is considered as the most troublesome competitor on the world market by the American aviation industry. But these projects are not running under the overall supervision of the EC. They were developed separately from the Club of Ten.

What is taking place under the umbrella of the Brussels Commission in terms of European research and development work is rather more modest. Last year, the Europeans did not even have DM1 billion available in Community research funds. And almost two-thirds of that money went for nuclear and non-nuclear energy research. European Community research is troubled by the fact that it was not included as a Community task originally in the Rome EEC Treaty and that it was considered in the drafting of the Euratom Treaty only later.

A rethinking process began among European research policymakers only in very recent times. The GFS (Joint Research Agency)--until now concerned mostly with questions of nuclear power plant safety--is now to concern itself more also with other tasks. A "General Scientific and Technical Activities Program for the Community"--which is to run from 1984 until 1987--spells out the research-policy goals which are to be attained over the next 4 years with overall management in Brussels.

The American and Japanese lead in the field of information technology is to be made up within the next 5 years with the help of the previously-mentioned ESPRIT and with a program endowed with DM3.4 billion which is to be financed 50 percent through the EC budget and 50 percent by the participating industries.

But these programs so far have one decisive flaw: the money needed to carry them out simply is not there.

Of course, a general research-policy program was approved rather grandiosely by the European heads of government under Greek EC chairmanship but they refused to provide the necessary funding. The Commission proposes barely DM10 billion for this common undertaking. Greek Research Minister Georgios Lianis expressed the following criticism: "The publication of the general program is not enough--we also need money." To be sure, all European research ministers agree that the European information technology industry can again move up close to the Americans and Japanese only as a result of a tremendous all-out effort. But until now it has been especially the Germans and the British who denied their approval. In despair, Greece's Lianis asked: "How long are these programs supposed to continue to gather dust in Brussels file drawers?"

In the middle of last week, the ten research ministers at least agreed on the content and fund allocations for the ESPRIT Program. With the help of about DM1.5 billion, the Community wants to give the information-technology and computer-technology industry a boost over the next 5 years so that it can catch up with the Americans and Japanese. But only those projects which

are carried out on an international basis are to be promoted. National undertakings--apart from the smaller member countries--have no chance.

Still, the ESPRIT Program is being financed at the expense of other research fields in the Community--as Deputy Linkohr feared. Together with the information-technology program which has just now been approved, nuclear fusion research, with the JET Program as its advertising shingle, as well as nuclear safety research absorb so much in the way of EC research funds that, according to in-house Bonn calculations, not even DM500 million will be left over annually for other projects.

Bernhard Saelzer, the research-policy spokesman of the Christian Democrats in the Strasbourg Parliament, groaned: "We would love to have more money."

Whether this can be done remains doubtful in view of the motionlessness in critical sectors of the Community. So long as a fundamental reform of the European farm market has not been tackled and so long as, for example, the precise financial methods of admitting the two Iberian countries have not been spelled out, there will be no additional money from the German and British treasuries. The ruling parties in Bonn can even draw on support from the Social Democratic opposition in their restrictive attitude. Ulrich Steger, the opposition's research-policy spokesman, commented: "In view of the waste in some sectors of European policy, more money is not necessary. What they do need is to draft common objectives and strategies."

5058

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LARGE INCREASE IN JOBS REPORTED

Copenhagen BERLINGSKE TIDENDE in Danish 7 Apr 84 Sect III p 3

[Article by Svend Bie: "40-50,000 New Jobs"]

[Text] Impressive growth rate in industry. There have been 20-25,000 jobs created in the economy this past year, and the same number can be created in the coming 12 months if the wage structure is maintained, according to the Federation of Danish Industries. The greatest growth is in those activities which manufacture investment goods.

New figures from Danmarks Statistik show that the upturn continues. Industrial sales in December, January and February were 16 percent more than the same period a year ago. Adjusted for inflation, that corresponds to a growth of 10 percent.

"At the moment we are for the first time seeing lower unemployment than at the same time a year ago. The growth in the labor market has been 20-25,000, and that means that a corresponding number of jobs have been created in the economy," said Verner Puggaard, department head in the industrial federation, to BERLINGSKE TIDENDE.

"How many jobs will be created next year?"

"We are sticking to our prognosis of December. If the wage structure is maintained, so Danish exports can take full advantage of the business upturn abroad, we will be able to achieve a decrease in unemployment this year of 10,000."

Unemployment Lower Than Last Year

Verner Puggaard estimates the increase in the labor market at 20-25,000 in the coming year, and that means that more than 30,000 jobs will be created in the coming year, if the prognosis of the industry federation is accurate. If that is the case, in 2 years there will be about 50,000 jobs created in the private sector.

Of the 20-25,000 jobs which were created last year, about 15,000 were in industry and the construction sector, according to the industry federation. The rest were in the service trades.

Export and Investment

There are two interesting developments in the industrial sales figures:

- The amount of exports during the period December 1983-February 1984 increased 11-12 percent compared with the same period the year before. The corresponding increase in sales on the domestic market is eight percent.

- In the same period the amount of sales of investment goods rose by 14 percent.

"Sales figures for the investment goods industry show that there is a marked increase in investments. At the same time the export figures show that investment is moving ahead abroad, where previously they have held back," said Verner Puggard.

Impressive Rate of Growth

At the Iron Industry Employers Federation, which represents a very large part of the investment goods industry, Jan Storm Thomsen, M.A., called the growth rate impressive.

The greatest growth has been in the foundries. During the past 3 months sales have grown by 17 percent in relation to the same period last year, and the February figures alone show a growth in sales of 27 percent.

The iron and metal goods industry has also shown a high rate of growth. Sales over the 3-month period were more than 14 percent above the year before.

According to Jan Storm Thomsen the growth in sales will greatly contribute to strengthening investments. He expects that in 1984 there will be a real growth of 12-15 percent.

Also industrial back orders have grown impressively. The investment goods industry has had the greatest growth of orders on the domestic market, while the consumer industry has the greatest growth on the export market.

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DEMANDS FOR 35-HOUR WORK WEEK CAN BRING 'ECONOMIC NIGHTMARE'

Copenhagen BERLINGSKE TIDENDE in Danish 1 Apr 84 Sect II p 7

[Article by Frank Dahlgaard: "35-Hour Week Can Be Economic Nightmare"]

[Text] With full wage compensation, a reduction of weekly working time to 35 hours means an increase in the hourly wage of 14.3 percent, corresponding to a payout of 10 unsecured cost of living increases. Without full wage compensation, a 35-hour week would mean a pay decline of 12.5 percent, and considerable tax increases with less pensions. Widows' pensions and subsistence allowances would also decline...

The 35-Hour Week

With Full Wage Compensation:

Example:	hourly wage	X	weekly working time	=	weekly wage
Before:	50.00 kr.	X	40 hours	=	2,000 kr.
After:	57.14 kr.	X	35 hours	=	2,000 kr.
Result:	14.3 percent higher hourly wage, and competitive ability is reduced...				

Without Wage Compensation:

Example:	hourly wage	X	weekly working time	=	weekly wage
Before:	50.00 kr.	X	40 hours	=	2,000 kr.
After:	50.00 kr.	X	35 hours	=	1,750 kr.
Result:	12.5 percent lower wage, and so pensions and subsistence allowances must also be reduced...				

The demand for a reduction of weekly work hours from 40 to 35 is not only being made in Denmark, but also over large parts of Europe.

In West Germany the metal workers organizations are threatening at the moment to strike if, in connection with the current wage negotiations, there is not an immediate reduction of working hours from 40 to 35 per week, with full wage compensation.

Here at home the SF [Socialist People's Party] is raising the same demand as the German metal workers, while the more moderate Social Democrats [SDP] want to carry out a shortening of working hours over a number of years, and without general full compensation.

The ostensible purpose of reducing working time is to get more people employed. The existing shortage of work should be distributed to more workers, they say. In the name of solidarity.

The idea comes forth regularly, directly and engagingly, and the sympathy of the Danish people is also drawn to the proposal to reduce working time.

The question is, however, whether the enthusiasm for the idea will remain when the people learn what the consequences of a marked shortening of working time will become.

With Full Compensation

If people in Denmark really implement the SF proposal--and immediately reduce working time from 40 to 35 hours per week without pay reduction--one of the consequences will surely be more unemployment.

BERLINGSKE TIDENDE has presented an example in the above diagram which illustrates the situation of implementing the 35-hour week with full pay compensation:

The example concerns a low-paid worker who today gets 50 kroner per hour. With a weekly working time of 40 hours, his weekly pay is 2,000 kroner.

If the weekly working time is suddenly reduced to 35 hours without a reduction in his weekly wage, that amounts to an increase in his hourly wage of 7.14 kroner, to 57.14 kroner.

That is an hourly wage increase of 14.3 percent, corresponding to a payment of 10 unsecured cost of living increases at once...

Only a very powerful increase in the production per employed wage earner (productivity) can compensate for this explosion in the hourly wage.

Even if it is assumed that the productivity per employee grows with shorter working hours, there is hardly a likelihood of a productivity increase per employee corresponding to the hourly wage increase.

The result would be a substantial increase in wage costs per unit of production. The price of goods must therefore be raised, causing a sharp worsening of competitive ability. Business sales and exports would therefore fall, production would have to be cut back, and workers let go.

The Real Motive

Reduced working time with full wage compensation is therefore no solution to the unemployment problem, but the contrary.

If businesses must pay the same weekly/monthly wage for less work and production, there is no money released to employ and pay new people.

The employers will not have a motive to increase employment. On the contrary, the unit costs and goods prices will emphatically increase, so sales decline and there is a need for fewer employees.

Finally, shorter working time for the same weekly/monthly pay is not an expression of the invoked solidarity. The already employed wage earner is not giving up anything to help his unemployed colleagues get work--on the contrary, he is merely granting more free time to himself.

The real motive behind the demand by the publicly employed SF academicians for shorter working time is presumably something entirely different:

They have perceived that higher wages merely evaporate with taxes and price increases, whereas greater leisure time is not eaten up by taxes and inflation. In the public sector they obviously do not speak especially loudly about this egoistical reason for demanding shorter working time. Here the demand is presented with the noble motive that shorter working time can create places for more workers and thereby bring down unemployment.

And people believe it.

Pay and Work

The result of a 35-hour week with full compensation would be exactly the same, regardless of what hourly wage they are talking about.

In any case they are talking about an increase in the hourly wage of 14.3 percent.

Just try to put another hourly wage rate into the diagram.

In Denmark we can only hope that West Germany will introduce the 35-hour week with full compensation. That will increase Denmark's export possibilities to the disadvantage of the Germans.

The truth is that shorter working time with full compensation creates new jobs--but specifically jobs abroad!

When the Danish SDP does not demand wage compensation for shorter working time, it is just to avoid the dramatic worsening of competitive ability with its accompanying growth in unemployment.

Nevertheless SDP from time to time demands that in connection with shorter working time there should be a certain wage compensation to the lowest paid.

The motive is undoubtedly noble, but the result of a unilateral hourly wage increase for the lowest paid will invariably be falling demand for just these people--and thereby growing unemployment among the low paid.

There is now an undeniable connection between pay and employment.

Without Compensation

But is a reduction of working time without wage compensation then not a way to get employment for more people?

Perhaps. Only perhaps.

Farthest down in the diagram is shown the effect on a low-paid worker of a 35-hour week without compensation:

With an hourly wage of 50 kroner and 40 work hours per week, the weekly wage is 2,000 kroner (annual wage: 104,000 kroner). With unchanged hourly wage and working time of only 35 hours, the weekly wage falls to 1,750 kroner (annual wage: 91,000 kroner).

That is a wage decline of 12.5 percent.

In the example, the annual wage after taxes falls by about 7,000 kroner, corresponding to 580 kroner less to live on per month.

For a skilled worker with an hourly wage of 85 kroner (annual wage: 175,000 kroner) the introduction of the 35-hour week means that the annual income falls by 22,000 kroner. After taxes the decline is about 9,000 kroner, corresponding to 750 kroner less for consumption per month.

The question is whether people will accept such a marked decline in their standard of living.

Does solidarity with the unemployed extend so far that one is ready to come to terms with this reduction in wages and consumption?

Possible Reactions

If the solidarity does not hold when it comes to harsh economic realizations, the employed wage earners can react in two ways:

1. Make demands for wage compensation, meaning higher hourly wages.
2. Undertake overtime work and extra jobs to compensate for the wage decline.

In the first case the unit costs for business area increased, with reduced competitive ability and greater unemployment as a result.

Subsistence Allowance and Pensions

In the second case the supply of manpower is increased, whereby the unemployed do not have the same possibilities for work.

But even if people would accept wage declines, competitive ability would nevertheless be hit. A shorter work time will in many cases mean that machinery and production equipment is going to stand unused for a longer time. Depreciation and payment of interest on production equipment will thereby be compressed by shorter working time, causing unit costs to rise.

The greatest--and so far totally disregarded--problem in connection with a rapid, solidarity inspired and uncompensated shortening of working time is, however, the question of what will happen to subsistence allowances, social help, pensions and widows' pensions.

If the annual wage falls by 12.5 percent among wage earners, it will presumably be necessary to also reduce subsistence allowance payments, social help, pensions and widows' pensions accordingly. But doing so hurts the weakest groups in society.

Of the subsistence allowances, pensions etc. are not reduced, it will be necessary to increase taxes and fees; people who have just had a reduction in pay will not go along with this.

The unemployed, who so far have been idle 40 hours per week, will after a reduction in working time only be idle for 35 hours per week. The logical consequence is to reduce the amount of subsistence allowance by 12.5 percent.

If the subsistence allowance is nonetheless maintained unchanged--despite the lower weekly and monthly pay on the labor market--the relationship between pay and subsistence allowance is markedly changed.

Wise Man's Report

In the final example of the diagram the low paid worker at 50 kroner per hour will have his annual pay reduced from 104,000 kroner to 91,000 kroner on the implementation of the uncompensated 35-hour week. If the maximum subsistence allowance is maintained at the existing 104,500 kroner per year, the low-paid employee will therefore suddenly earn significantly less than the unemployed, and that is naturally not supportable.

Therefore the unemployed subsistence allowance must be reduced together with the wages on the labor market.

In the "Wise Man's Report" of May 1982, which deals with the consequences of a shorter working time, it is actually also proposed that the rates for subsistence allowances, widows' pensions, cash help and public pensions be reduced in step with the reduction in wages and working time on the labor market.

When the SDP does not, like the SF, want the 35-hour week implemented at one stroke, but recommends a gradual reduction of working time over a number of years, it is just to avoid direct reduction of subsistence allowance, pensions, widows' pensions and aid payments.

The Noble Solidarity

With a gradual shortening of working time without wage compensation, the problems will be lost in a veil of mist, but the increase in annual income, subsistence allowances and pensions will then be less than otherwise.

The 1.3 million people who today receive subsistence allowance, aid help, widows' pensions and pensions presumably suppose that a reduction of working time on the labor market will not affect them.

As demonstrated here that is a grave misunderstanding.

Wanting to fight unemployment by sharing it is hardly the correct path forward. They call it "solidarity," but it is really a false solidarity.

Professor of economics Gunnar Thorlund Jepsen is still right when he says:

"Noble solidarity does not consist of sharing unemployment, but of dividing the burden of abolishing it. And the burden of abolishing unemployment consists of the sacrifices which must be made to make Danish production profitable."

What Thorlund Jepsen is thinking about here is naturally the income policy and wage restraint.

9287

CSO: 3613/132

FORMER SDP LABOR MINISTER WARNS AGAINST 35-HOUR WEEK

Copenhagen BERLINGSKE TIDENDE in Danish 10 Apr 84 Sect III p 1

[Article by Ole Schmidt Pedersen: "Auken Says 35 Hours Is Entirely Unrealistic"]

[Text] Former labor minister finds it unrealistic to implement a 35-hour week during the next wage negotiations.

Former Labor Minister Svend Auken (Social Democratic Party) no longer believes that the labor union movement will succeed in negotiating a work week of 35 hours during the coming wage negotiations.

"It is entirely unrealistic to imagine a 35-hour work week being implemented during the agreement period," asserted Svend Auken, when he spoke at the opening of the meeting of delegates of the Danish Journalists Association unemployment fund yesterday.

Svend Auken used unemployment to point out that the Social Democratic Party [SDP] still considers the length of working time as a question to be discussed collectively between the parties in the labor market, without interference from the government. He therefore also rejected the proposal by the Danish Employers Association [DA] to permit flexible working time agreements between wage earners and individual businesses.

Director Hans Skov Christensen of DA also participated, and he compared the economic upturn here at home with the beginning of a cycle. He therefore recommended to both parties in the labor market to go together to get the cycle going for the benefit of higher production, greater employment and more welfare. Hans Skov Christensen furthermore requested a debate to clarify the demarcation between the subsistence allowance system and aid assistance, pointing out among other things that during 14 years one million more wage earners have reported to the unemployment cashiers. Svend Auken made the following comments on Hans Skov Christensen's ideas on the subsistence allowance:

"Would you buy a used bicycle from that man? It is a bicycle with a reverse gear."

REPERCUSSIONS OF GOVERNMENT'S DECISIONS ON STEELMAKING INDUSTRY

Cost, Effects on Labor

Paris LES ECHOS in French 2 Apr 84 p 2

[Article by Jacques Jublin: "Laurent Fabius Switches Off; In the Eye of the Political and Social Cyclone"]

[Text] The economy swept aside, the figures forgotten, the steel industry has become intensely political. It has exploded socially at Longwy, Rombas, Dunkirk and Marseilles.

Lorraine has refused to accept Jacques Delors-style austerity and the metalworkers of the East and the South do not want to hear about Pierre Mauroy's vision of the steel industry, especially favoring the North. Desperate violence has been manifest everywhere.

Stimulated by mad dreams and stirred up by Henri Krasucki's recent visit to the Moselle country, Georges Marchais has not hesitated to beat the drum, demanding that the government "proceed to other alternatives," while Andre Bergeron has been sounding the alarm, "begging the government to realize that there are times when one has to be capable of taking a step backward."

Gone is the industrial realism, flattened the financial determination. On the order of "Lorraine is worth at least that much." Or, "the government has made a mistake again, the steel industry has not been condemned to that extent." And violently, the steel industry has become a social cyclone, a political storm.

A Bill of 36 Billion

Francois Mitterrand will be in the eye of the cyclone until 4 April, the day of his press conference, but Wednesday a general strike at the blast furnaces and steelworks will constitute the steelworkers' response to a president who has clearly stated: "It will be difficult, very hard politically, but I assume responsibility for the choices that have been made." Almost de Gaulle-like.

And what luck for Laurent Fabius.... For, strangely enough, the minister of industry is silent, has almost disappeared, or rather appears only switched off. Judge for yourself.

It was Friday morning and the entire press was assembled on the rue de Grenelle at 0830 hours: They were waiting for the minister; the cameramen were bustling about. Lorraine had already been put to fire and the sword. Well, Laurent Fabius was going to speak, but only in the form of an official briefing. Newsmen, put your pens away; cameramen, pack up your equipment.

9 Billion in Appropriations Annually

This is what is called political savvy, when one is protected by Francois Mitterrand and is reserved with respect to the choices that have been created (Laurent Fabius had let it be known that he was for the Gandrange universal mill).

Jean-Pierre Chevenement had preferred to resign; Laurent Fabius is content with remaining silent. The people of Lorraine will learn nothing from him. It is better for him to let Francois Mitterrand and Pierre Mauroy man the battlements.

And yet behind the president's determination to above all see to it that France enters the future rather than making sacrifices to a costly past, who is going to have the courage to explain that this plan will cost the nation some 36 billion francs between now and 1987?

Of course, from 20,000 to 25,000 jobs will be eliminated. But their hope lies in having a profitable steel industry in France tomorrow, one capable of existing without subsidies.

France is not so rich that, when its debt exceeds 450 billion francs, it can permit itself to continue to spend beyond its means. Because modernization of the steel industry, which has been delayed for too long, will cost a lot, a great deal. First, in terms of new investments, 15 billion francs, the most spectacular of which being: Sollac, 1.3 billion; Dunkirk, 1.3 billion; Neuves-Maisons, 500 million; Longwy, 400 million; Hayange, 500 million; and Valenciennes, 500 million.

And this immediately. Plus the continuation of operations already engaged in, plus later "renovations" like the one that will take place in Caen in 1986.

Investments, but also appropriations, since USINOR and SACILOR are badly in need of funds themselves and are in debt up to their necks. As of 1984, 5.5 billion in appropriations and 3.5 billion in loans are anticipated.

And since the government imperatively wants the two nationalized companies to show a balanced statement by 1986, when the European steel industry should survive without subsidies and on a free market disencumbered of production quotas decreed by Brussels, it is absolutely necessary to beef up the finances of the nationalized companies.

Grave Political Error

With a good year and a bad year, 9 billion in appropriations between 1985 and 1987. Huge, but impossible to do it in any other way if we want financial expenses, which are at present over 10 percent, to become "sound" again at 5 percent.

And if we want USINOR and SACILOR's losses to gradually drop from 10 billion in 1983 to 6 or 7 billion this year, then to 5 billion in 1985 and 3 billion in 1986 without reaching zero in 1987 and with an ultracompetitive production capacity of from 17 to 19 million tons.

Industrial investments, appropriations, loans, but also the social cost. Right from the start, SACILOR's retraining subsidiary was credited with 500 million francs to attract investors to its fields of operation. But each year, for a period of 4 years, of the 25,000 jobs to be eliminated, the 12,000 for which they plan to retrain workers will tie up from 400 to 500 million francs.

Lorraine workers, who for decades now have not stopped bandaging up their social wounds will say: to hell with figures and ratios, with "steel plans" disguised as "chemical plans" and "textile plans."

But would it not be even more criminal to lock ourselves up in a veritable collective "suicide"? The modern world is there and no one can deny it.

It is up to the government to convince people but, even more to the point, to offer something else to those whose only remaining prospects are blast furnaces that are being extinguished, steelworks that are closing down, rolling mills that are silent.

It is up to the government to bandage their social wounds as quickly as possible. But nothing, or practically nothing, has been proposed for this industrial region for a long time now. A grave political error.

Labor Leader Sainjon Interviewed

Paris LES ECHOS in French 2 Apr 84 p 4

[Interview with secretary general of the FRM [expansion unknown]-CGT [General Confederation of Labor] Andre Sainjon by Lubka Stephane; date and place not given]

[Text] [Question] Since Thursday you have protested the government's decisions. The plan adopted is a tough but courageous one in view of the objective to be achieved: a modern and competitive steel industry. What point are your criticisms leveled against?

[Answer] I dispute any thought of a courageous plan. Actually, the decisions that have been reached will work against a strong, modern and competitive steel industry because they will irreversibly reduce France's industrial capacities and confine our country to a steel industry specialized in flat

products to the abandonment of long products. They open the door to greater foreign penetration in terms of steel and special steel products.

It's wrong to let people believe that after this "necessary evil" our steel industry will be able to move forward. Achieving such a degree of amputation can only in time mean new blood-lettings and new reorganizations.

When the government opts for this kind of damage, other, competitive European steel industries will not hesitate to invest, to strengthen and diversify their steel production. Therefore, they will be more competitive in 1986.

These decisions certainly constitute a veritable strangulation for the steel industry, but also for many of our country's other economic sectors that depend on it.

Under the circumstances, how can we fail to be indignant over the government's explanations? To hide behind the excuse of necessary modernization, to wipe off the industrial map the Gandrange steel mill, one of the most up-to-date mills in Europe, let me tell you, is shameful. The same holds true for the young, high-performance Ugine Fos mill, which has excellent technological capabilities and highly qualified personnel.

We mustn't fool ourselves; the French steel industry is also a very unrecognized advanced industry. The blast furnaces, steelworks and rolling mills make very extensive use of automated equipment and data processing.

If this is a tough plan, it is especially so for the steelworkers, 30,000 of whom are being condemned to unemployment without any real prospect of employment elsewhere.

The proposal to use retraining centers is without foundation in this specific instance. The regions concerned have been profoundly afflicted with the lack of other industries and businesses for a long time now. The workers are well aware of this, they who experience the reality of daily life.

These issues cannot be resolved with the calculated rules of the ministries. The problem lies in building, not destroying. It is for these essential reasons that we deem the government's decisions to be totally unacceptable.

We reject this policy of decline for an industry so vital to the nation's economy and independence. We reject the unemployment that will stem from it.

Reduce Imports

[Question] What, in your opinion, are the solutions that should be adopted?

[Answer] During the joint discussion meetings that were held, we made a certain number of proposals that were effective in terms of achieving the objective decided on in 1982 when the combines, USINOR and SACILOR, were nationalized.

This objective is aimed at restoring to France a strong, modern and competitive steel industry. It was based on the analysis contained in the Judet report. To find solutions to our current problems, we proposed three immediate measures:

First: To reduce the rate of foreign steel penetration by about 10 percent, thus returning to the level of same in the FRG (30 percent).

Second: To pursue investments planned in such a way as to have a steel industry capable of dealing with the competition by 1986.

Third: They tell us that the steel industry shows a chronic deficit. We must realize that there are two reasons for this chronic deficit.

The first reason consists of the exorbitant financial expenses resulting from the insane steel policy of the past: 9 percent of the sales volume, whereas in the principal European countries these expenses are on the order of 3 or 4 percent.

The second reason is that the steel combines' deficit is also the result of inadmissible practices on the steel markets whereby sales prices are from 30 to 40 percent under cost.

Getting things organized again would be enough to in part eliminate these deficits if we could provide ourselves with the means for obtaining 10 percent more than current sales prices. And I won't speak here of the infringements on European agreements in connection with this.

[Question] Do you think that the social measures are inadequate?

[Answer] Right now, that is really the chief question since, as I just told you, we feel that the industrial problem has not been regulated by the government's measures.

On the contrary, we intend to make the government go back on these bad decisions through union action.

If you really insist on a comment, I would say this. We are as a matter of principle attached to effective social regulation of all wage-earner problems. But in this specific case there is nothing new about the measures presented to us. They reinstate old formulas under other names.

As far as the general agreement on social protection is concerned, achieving the announced objectives implies their "all-out" application. The effect will be as catastrophic as what has been happening since 1978 is: the destruction of our know-how and incoherence in the age pyramid, without forgetting the tragic situation many early retirement pensioners will be in.

We've always maintained that you can't have a good social policy without a good industrial policy and vice versa.

Why Not a USINOR-SACILOR Merger?

[Question] To resolve the problems in the same sense that you perceive them, are you in favor of a merger of USINOR and SACILOR?

[Answer] The real question is knowing what the industrial objectives that are aimed at are. Then — and then only — can we raise the question of form and structures.

If merger proves to be the best kind of structure to serve the best objective, I'm for merger.

But you must realize that such a decision cannot be determined solely by ministerial staffs. It must be the object of broad, joint discussion.

Today, that's not what's at issue as regards the decisions that have been adopted. We have to start all over again from zero and learn from the mistakes that have been made.

If there is really a determination to build a strong, modern and competitive French steel industry, there's no reason to hesitate.

[Question] What actions are you going to undertake with respect to the government?

[Answer] At the present time united and determined actions are being and will be engaged in at the locations involved and at others.

The anger of the steelworkers and the blast furnaces is rumbling. We share it. Scrapping steelworks in Lorraine and four modern ones in Fos that run well: at Longwy, Neuve-Maisons, Rombas, Ugine Steel and Fos, will involve the death of the coal mines, a source of wealth many countries envy us for, and has absolutely nothing to do with any modernization plan.

Registering only modernization projects like Sollac and Valenciennes will not be enough to meet the needs of the market. This would be depriving ourselves of real outlets and jeopardizing our future.

The steelworkers, miners and local populations concerned have no other options but to oppose such a policy of abandonment. We cannot accept such human, industrial and financial waste.

We are therefore going to pursue and expand union actions among the broadest possible group of workers with the support of the populations concerned to make it impossible to apply the bad decisions that have been adopted.

Two initiatives have already been decided upon:

The regional action of 4 April 1984 in Lorraine.

The march from Lorraine to Paris on 13 April 1984. For that day we plan to launch a national appeal on behalf of the entire French steel industry.

As I recently had occasion to state, our organization calls on all steelworkers — from the ordinary worker to the engineer and the marketer at each location — to resolutely oppose the application of the projected scrapping plan and to assume any initiative useful in assuring the maintenance of production plant, production and markets.

11,466

CSO: 3519/293

REVIVAL OF REGULATORY 'PRICE INVESTIGATION COUNCIL'

Athens I KATHIMERINI in Greek 29 Mar 84 p 9

/Text/ Minister of National Economy G. Arsenis has announced the revival of the Price Investigation Council (SET) with its new chairman being Mr Emm. Sakellis, a certified public accountant, who replaced Mr Tzortzopoulos, ASOEE /Supreme School of Economic and Commercial Studies/ professor, who resigned.

The task of the SET is the checking of prices of both imported and exported goods to prevent the illegal outflow of currency and the underestimation of exports.

The SET is composed of nine members, meets at least once a week and has a large technical and secretarial staff. The secretariat, according to the council instructions, conducts inquiries into prices in accordance with specific charges made or well-grounded suspicions. If an infraction is determined, the council introduces sanctions to the Ministry of Commerce and subsequently the case could be referred to the Ministry of Justice.

The government believes that with the revival of the council the outflow of foreign currency could be checked and Greece's foreign trade would once again become healthy.

At the same time, Mr Arsenis announced that a Price Advisory Committee has been set up to advise the ministers of national economy and commerce as well as the Prices and Revenues Committee.

Task of the committee will be the following:

1. Analysis and interpretation of price developments in both general categories of products that are included in the Consumer Price Index and the Wholesale Price Index.
2. Designation of goals for determining cost factors in large categories of products, as, for example, foodstuffs, clothing, durable goods, etc. that are included in the Consumer Price Index.
3. Possibility for examination of issues involving prices of specific sectors or groups of products that are referred to the committee by the government.

4. Study of the existing system of price controls and proposals for ways to improve them.

The committee is composed of the following:

1. A representative of the Ministry of National Economy and a representative of the Ministry of Commerce.

2. Two representatives of the GSEE /Greek General Confederation of Labor/, two representatives of the ADEDY /Supreme Administrative Committee of Civil Servants/ and one representative of the GESASE /General Confederation of Greek Agricultural Unions/.

3. One representative of the SEV /Association of Greek Industrialists/, one representative of the Union of Chambers of Commerce and Industry of Greece, one representative of the PASEGES /Panhellenic Supreme Confederation of Unions of Agricultural Cooperatives/ and one representative of the Supreme Confederation of Craftsmen of Greece.

Chairman of the committee is Mr Mikh. Sallas, the prime minister's economic adviser.

Moreover, the committee will have the possibility to call on other individuals depending on the case being examined.

The task of the committee will be facilitated by personnel specialized in cost accounting, statistics and economic analysis.

5671

CSO: 3521/223

RESEARCH INSTITUTE GLOOMY ON 1984 ECONOMY

Athens I KATHIMERINI in Greek 31 Mar 84 p 9

/Text/ Hopes for an upturn in industrial activity are diminishing. This is dictated by the business climate despite some improvement in the first months of 1984 (according to IOVE /Industrial Research Institute/ data). Nevertheless, this improvement is smaller than that recorded in the last months of 1983. Specifically, the production index in February showed a rise of 15 compared to 28 in December, 10 in November and 17 in October.

In its report on the results of the survey --based on estimates and forecasts by industrialists-- the IOVE maintains the following:

"In February 1984, estimates and forecasts of industrialists stayed at about the same low levels as the previous month. Overall demand, as expressed in the estimates of industrialists for the amount of their overall orders, falls short of the level considered normal. Besides, foreign orders backed off in relation to the previous month. Although the retreat was small it was indicative of the halt in the improvement trend of foreign demands that had been recorded in January.

"Prospects for the next 3-4 months show little improvement in relation with those recorded the previous month.

"Specifically, forecasts for production allude to the possibility of a small upturn. These forecasts, however, are restrained in nature and are possibly influenced both by the relative low level of orders as well as by the estimated increase of stocks of ready products in the last 2 months. With regard to stocks, it should be noted that they had been judged to be lower than 'normal' levels. In January, however, it appears that stocks were considered to have increased. Stocks were also at the same levels --slightly higher than 'normal' -- in February.

"As for prospects for exports, there was an increase in February despite the fact that foreign orders are still low. This is explained by the fact that orders executed must have concerned exports for the next month or perhaps the month after, while prospects cover the period up to June. This means that if in the long run an improvement in exports is shown it will not come about before May-June.

"It should finally be noted that this month too an expectation of a rise in prices remained high despite their drop in relation with those recorded in January.

"This month's survey involved specific questions with regard to prospects of employment and to factors that curtail industrial production.

"The industrialists' prospects record the fact that employment will remain fixed for the next few months at the level of the last quarter of 1983. It is worth noting that this month's forecasts show an improvement in comparison with those recorded in October 1983.

"Finally, with regard to factors impeding productivity, the two most important ones were (1) demand which is considered to be inadequate by 49 percent of the industrialists and (2) the insufficiency of working capital as judged by 18 percent of the industrialists. The corresponding figures in October 1983 were 38 percent and 18 percent.

5671

CSO: 3521/223

STATISTICAL SURVEY OF INDUSTRIAL REVENUE

Madrid ABC in Spanish 2 Apr 84 p 36

[Text] Macroeconomic analysis at times distorts the picture of the causes and effects of economic problems, because it hides what is happening in the most varied sectors under the overall covering of "macro." Thus, in the case of Spain, we know that the economic crisis has basically been a crisis in industry, but only rarely have we gotten down to insisting on quantification of this fact. Perhaps this has occurred because of the scarcity of official statistics showing the balance sheet of the economic results of exploitation of the secondary sector.

The evaluation carried out by the Study Services of the Banco de Bilbao in its publication "1981 National Revenue in Spain and its Distribution by Provinces" allows us to see an analysis of the Spanish industrial sector during the years of the crisis. This study covers 12 different branches of the industrial sector, including construction. On the basis of data in this study and the estimate made for 1982 and 1983, the enclosed table has been drawn up, showing the evolution of Spain's industrial product and revenue at current and constant prices for the years 1973, 1975, 1981 and 1983.

(1) Renta industrial española y su distribución factorial				
(2) Sector Industria (Incluida construcción)				
(3) Miles de millones de pesetas				
(4)	Año 1973	Año 1975	Año 1981	Año 1983 (avance) (5)
(6) Producto industrial bruto.....	1 518.0	2 211.2	5 677.9	7 315.1
(7) Renta industrial.....	1 382.0	1 997.7	5 013.4	6 369.5
(8) Costes de personal.....	767.1	1 266.0	3 720.8	4 479.5
(9) Excedente empresarial (antes de impuestos).....	614.9	731.7	1 292.6	1 890.0
(10) A los precios constantes de 1973				
(11) Renta industrial.....	1 382.0	1 489.1	1 415.2	1 413.4
(12) Costes de personal.....	767.1	943.7	1 050.3	994.0
(13) Excedente empresarial.....	614.9	545.4	364.9	419.4
(14) Distribución funcional				
(15) Costes de personal.....	55.5	63.4	74.2	70.3
(16) Excedente empresarial (antes de impuestos).....	44.5	36.6	25.8	29.7

(17) Fuente: Renta nacional de España y su distribución provincial e informe económico anual. Banco de Bilbao

Key:

1. Spanish Industrial Revenue and its Distribution by Factors
2. Industrial Sector (including construction)
3. Billions of pesetas
4. Year of 1973
5. Year of 1983 (estimate)
6. Gross Industrial Product
7. Industrial Revenue
8. Personnel Costs
9. Business Surplus (before taxes)
10. At Constant 1973 Prices
11. Industrial Revenue
12. Personnel Costs
13. Business Surplus
14. Functional Distribution
15. Personnel Costs
16. Business Surplus (before taxes)
17. Source: National Revenue of Spain and its distribution by provinces and annual economic report. Banco de Bilbao.

The first fact which stands out is the stability of revenues from industry, valued in real terms, which for the 10 years between 1973 and 1983 are limited to a minimum growth of 2.4 percent, which is equivalent to an annual accumulative rate of 2 percent.

The Gross Industrial Product (which includes construction), deflated by the implicit price index of the sector, grew by 16.7 percent during the 10 years of the crisis, a higher increase than that of industrial revenue, because of the accelerated process of obsolescence of industrial equipment, which necessitates a higher rate of amortization, and because of the unfavorable performance of relative sectorial prices, which harmed the industrial sector as regards tertiary activities.

But the piece of information which is truly significant, and the one which best explains why almost a million jobs in the industrial sector were lost, is the fact that while real wage costs in the industrial sector rose by 36.9 percent between 1973 and 1981, the net operational surplus of the companies decreased by 59.3 percent from that achieved in 1973. It is true that in 1982 and 1983 this situation has improved somewhat, but still, real personnel costs (despite the loss of a million jobs) rise by 29.6 percent over those recorded in 1973, and the net business surplus represents only 68.2 percent of that calculated in 1973. Behind these simple figures lies the fundamental cause--whether the labor unions like it or not--for the economic crisis which Spanish industry is suffering and for the unemployment which our society endures.

8131

CSO: 3548/230

INDUSTRY AGAIN WILLING TO INVEST AFTER LONG DOWNTURN

Stockholm SVENSKA DAGBLADET in Swedish 20 Mar 84 p 29

[Article by Kjell Brodda: "Industry Willing to Invest Again"]

[Text] After several bottom years, industrial investments are taking a sizable jump upward in 1984, according to a survey by the Central Statistical Bureau [SCB].

It was mainly toward the end of last year that optimism in the industry began to grow and investment plans were revised upward. Since the SCB's survey last August the companies have expanded their investment plans by about 5 billion kronor at current prices for 1984, which is an increase by 33 percent.

Altogether the companies themselves believe that industrial investments will grow 10 percent this year. It is the first time since 1980 that profit figures can be reported.

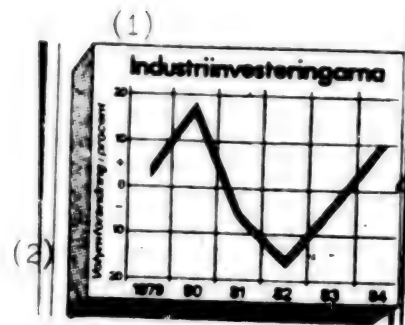
In 1983 investments dropped 3 percent in volume despite an improvement in the economy for nearly all branches. This circumstance is due to the time-lag which is normal for investments in economic upturns, as a result of, among other things, the unused capacity available to the companies before they need to buy new machinery.

It was only the foodstuff, wood products, chemical and electrical industries which were able to report an increase in investment volume last year.

For 1984 all branches of industry, with the exception of the wood products and chemical industries, which may possibly have exhausted themselves last year, believe there will be increased investments.

The highest figures of increase are reported by iron and steel, + 40 percent, the engineering industry, + 25 percent, (the automobile industry + 45 percent) and the pulp, paper and paper goods industry with + 20 percent.

The SCB reserves its judgment somewhat on the high figures, since the companies revised their plans upward relatively late, and it may therefore become difficult to have time for all the intended investments during 1984.



Key: 1) Industrial investments
2) Change in volume in percent

In addition to industry, it appears that the energy investments will grow a few percent this year after status quo in 1983, despite the increasingly less important part played by the nuclear power investments.

The retail sales sector is not expected to increase its investments at all this year after a strong upturn (+ 36 percent) last year, mostly due to equipment purchases.

Equipment investments are also the reason for the anticipated 30-percent investment increase in the banking and insurance industry this year.

11949
CSO: 3650/163

AGREEMENT ON IMPORT OF SOVIET NATURAL GAS

Vienna DIE PRESSE in German 31 Mar/1 Apr 84 p 8

[Text] Vienna--Austria continues to be almost totally dependent upon the USSR for the importation of natural gas. Yesterday in Vienna, the fourth supply contract was signed between the state OeMV [Austrian Petroleum Authority] Corporation and the Soviet natural gas exporting company "Soyuzgazeksport." Following a 5-year development phase, this contract foresees an annual import quantity of 1.5 billion cubic meters beginning in 1989. With the three existing contracts, from 1990 on, 4 billion cubic meters of natural gas will come from the USSR. That is equivalent to about 80 percent of expected consumption.

As OeMV general manager Herbert Kaes told journalists on the occasion of the contract signing, a diversification of gas imports is now out of the question for cost reasons. Especially because of Austria's geographical location, North Sea deliveries would be about 30 percent more expensive than those from the USSR. Since this country has more than 40 percent of world natural gas reserves, it will continue to be very important in the future for the supplying of Western Europe.

Yuriy Baranovskiy, general director of Soyuzgazeksport, said that the new natural gas pipeline for the export of additional quantities of natural gas to Western Europe was completed on schedule and that deliveries will begin this year. Altogether, another 26 to 30 billion cubic meters over and beyond the already existing deliveries of 25 billion cubic meters per year are to be exported to Western Europe over the new network. In addition to Austria, the FRG has contracted for 10.5 billion cubic meters, France for 8 billion and Switzerland for 400 million. Smaller quantities will be sent to West Berlin and negotiations are under way with Italy for a quantity of 8 billion cubic meters.

Thus the capacity of the new pipeline will be fully used. So far, the efforts of the United States to lessen the dependence of Western Europe on natural gas imports from the USSR have been "a fiasco." Moscow, however, does not intend to "force" its natural gas on any country.

Austria was the first Western European country to negotiate a contract with Moscow in 1968 for the delivery of natural gas. Deliveries based on the fourth contract will begin 1 July 1984, whereby 250 million cubic meters will come from the Soviets this year. Austria can decide by mid-1985 whether it wishes to exercise an option on another 1 billion cubic meters beyond the agreed 1.5 billion cubic meters. Currently, natural gas from the USSR costs about 2.5 schillings per cubic meter to the border. Because of the increase in the price of heavy heating oil, this price will increase to 2.6 schillings in the second quarter of 1984. The calculation is on the basis of domestic and foreign quotations of heavy and furnace heating oil as well as Austrian imported crude oil.

In Austria, there is currently about 1 billion cubic meters of natural gas in storage. According to OeMV, consumption forecasts allow one to expect a smooth placement of all import quantities.

9746

CSO: 3620/234

MINISTRY ADVISER ARGUES AGAINST TROMS FIELD PIPE TO MAINLAND

Oslo AFTENPOSTEN in Norwegian 15 Mar 84 p 36

[Article by Flemming Dahl]: "Ramm Warns Against Belief in State Pipeline in Northern Norway"]

[Text] Hans Erik Ramm, special advisor to the Ministry of Finance, yesterday warned against embracing Statoil's proposed billion-kroner public investment in a gas pipeline from Tromsøflaket to the mainland and a land-based cooling terminal.

Statoil Deputy Administrative Director Henrik Ager-Hanssen recently stated that this would be a stimulus to get the oil companies involved to really develop the Askeladden gasfield.

Ager-Hanssen estimated that the public investment in the pipeline and the terminal would be 18 billion kroner, while the development of Askeladden was estimated at 25 billion 1983-kroner.

"I agree that Statoil's proposal is interesting," said Ramm, but added: "I fear that if we embrace such a proposal too quickly, it might create expectations that cannot be met in Northern Norway."

Talk About Tax Money

Ramm pointed out that foreign oil companies, in contrast to Statoil, have asked for tax relief in order to develop more profitable field projects and said: "Statoil's proposal is just another way of doing that. We are actually talking about the same money.

"If the government were to say yes to Statoil's proposal now, Troll field shareholders might say that theirs is an equally marginal project and that they would also like a pipeline at their disposal."

Ramm, who was speaking at a conference headed by the Council for Research and Social Planning (RFSP), stressed greater belief in more exploration, with the idea of finding oil in particular. This was said with reference to the fact that an oil discovery would not have to be as big as a gas find to provide a profitable development project.

Statoil Commentary

In a commentary to AFTENPOSTEN, Ager-Hanssen rejected the idea that his solution might be compared to tax relief. "What I have proposed is a public investment in an initial infrastructure which we value sufficiently to begin developing a field in Northern Norway," he said.

"This is not something we feel should be repeated, but something that should be viewed selectively with respect to Northern Norway," he added. Ager-Hanssen pointed out that Statoil is a shareholder in the Troll field northwest of Bergen, and said that this company does not plan to ask for tax relief or a state pipeline in order to begin developing the Troll field.

He also pointed out that no decision needs be made regarding the socioeconomic commitment on Tromsøflaket until 4 years from now since further mapping of the area ought to be done first regarding additional discoveries at Askeladden.

Ager-Hanssen was of the opinion that eventual oil discoveries in Northern Norway would also contain gas and that no permission would be granted to burn off this gas so that a gas pipeline with an attached terminal would be useful in connection with the development of oil discoveries as well.

He stressed that not only state-owned Statoil--but other Norwegian and foreign companies with shares in Tromsøflaket--would benefit from a public investment in such a conveyor system.

8952

CSO: 3639/92

STATOIL INCREASINGLY TO DOMINATE IN OIL SECTOR

Oslo AFTENPOSTEN in Norwegian 13 Mar 84 p 21

[Article by Bjorn H. Tretvoll: "Statoil Net Profits Nearly 70 Billion by Year 2000"]

[Text] By the turn of the century, Statoil revenues could well represent more than 75 percent of the total value of all oil and gas production on the Norwegian continental shelf. With that, Statoil alone may be bigger than the sum of all Norwegian mainland industries if the rules and practices in use today are followed in years to come.

The central issue in the debate about Statoil's future role in the Norwegian oil industry has been the company's dominance. Estimates submitted by Statoil in its latest perspective analysis clearly show that, under the present rules, the company's dominance will be without parallel in Norwegian industry.

In spite of its dramatic growth, however, Statoil's size will remain modest compared to the giants in this industry. In 1982, sales of the world's largest private corporation, U.S. Exxon, totaled almost \$100 billion, or approximately 750 billion kroner. Of course, the prognoses for growth in years to come are based on a number of uncertain factors, which are very important. Changes in many of these factors, however, will also affect estimates for the entire Norwegian oil and gas industry. Hence, the picture of Statoil's dominance in the Norwegian oil sector will not change perceptibly.

However, these estimates are also based on the assumption that the authorities will make full use of the so-called sliding scale provision, which make it possible to increase the share of state ownership in discoveries going into production and that this increased share of state ownership will go to Statoil. This assumption may change in that the increased share of ownership may not go to Statoil or the government may decide to use the provision in such a way that other Norwegian companies' share of ownership would not be reduced. Such changes would mean reduced income for Statoil.

Much Uncertainty

There is much uncertainty connected with Statoil's estimates. They allow for a high and low alternative in the oil price development, except that the two

alternatives do not actually represent the limits of the area of uncertainty. While the highest alternative could result in an annual total gross production value of about 180 billion kroner in connection with the Norwegian continental shelf by the late 1990's, the lowest alternative might result in about 120 billion kroner. The so-called base alternative could yield about 160 billion kroner.

The proportional figures for Statoil show total operating revenues of between 100 and 140 billion kroner annually by the late 1990's. The base alternative would yield operating revenues of about 120 billion kroner.

All these figures represent the value of the 1983 krone. The effect of the overall inflation during this period will have to be added, making the figures even greater in terms of the current value of the krone. Even if the inflation rate stays as low as 5 percent annually, the base alternative by the late 1990's would result in annual sales 10 times greater than the 26 billion plus kroner in 1983.

These estimates are based on the assumption that there will continue to be a steady level of investments on the continental shelf, in keeping with the basic guidelines for expansion in years to come. Hence, the presupposition is a steady development of known deposits and no special problems in selling the available gas at acceptable prices.

Statoil's expansion is dependent upon a Norwegian economy in which the oil sector benefits from a growing share of the gross national product. In a recently submitted report on the development prospects between now and the year 2000, it is estimated that the goods-producing industries' share of the GNP will decline. Industry and mining may drop to a 10 to 12 percent share of the GNP. The value of the oil sector will clearly represent a greater share than that and Statoil, with an almost 80 percent share of this sector, could become larger than all the traditional Norwegian industries put together.

Statoil's share of the oil sector will increase gradually; it will approach 60 percent in 1990 and grow to about 70 percent in 1995.

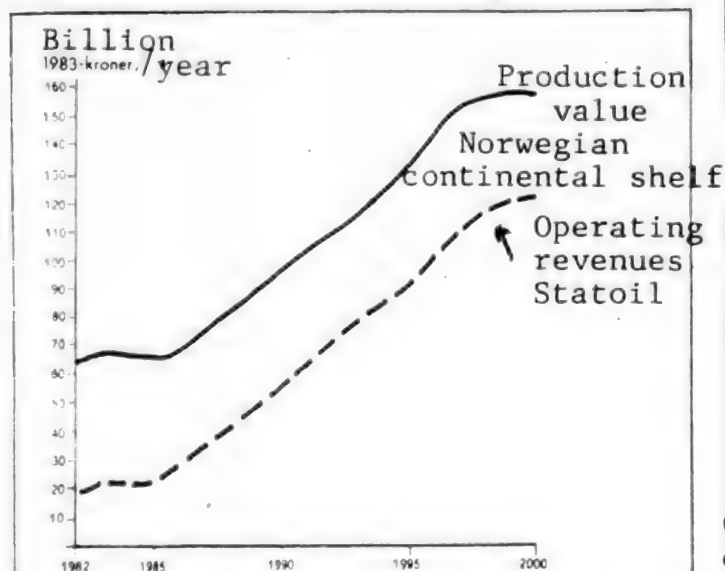
This tremendous growth will yield a dramatic increase in profits between now and the year 2000. Before-tax profits will rise from 6.7 billion kroner in 1983 to 17-18 billion kroner in 1990 and grow to approximately 70 billion kroner around the year 2000. These estimates are also based on stable 1983 kroner, but there is a great deal of uncertainty about the projected profits.

However, most of the huge profits will end up in the state treasury, either as taxes or as stock dividends. According to the present rule of establishing a reserve fund, however, there will be a substantial capital buildup by the company as well. Statoil estimates that about 10 percent of the company's before-tax profits will go into the reserve fund. However, these reserves must be viewed in relationship to the very large investments the company will have to make.

The possible expansion of Statoil activity beyond the Norwegian continental

The possible expansion of Statoil activity beyond the Norwegian continental shelf in the next few years will eventually be in addition to the growth indicated in the above estimates. This might include oil exploration outside Norway, in countries like the Netherlands and China. Statoil has also expressed interest in applying for concessions in Denmark and Great Britain. Expansion of the petrochemical industry, both at home and abroad, could also result in even greater growth for Statoil. The same would apply if Statoil were to further expand its activity in the area of refining and distribution of gasoline and other oil products outside Norway.

Providing that Norwegian oil policies are based on the desire to maintain a steady production of about 70 million tons of oil equivalents per year, the Norwegian oil industry's total production value, using the so-called base alternative, will be about 120 billion kroner by the end of the century. Based on this alternative, Statoil's operating revenues will be about 100 billion kroner.



Graph shows development in total gross production value of Norwegian continental shelf (top line) and Statoil operating revenues until the turn of the century, assuming that we pursue a steady investment policy on the continental shelf

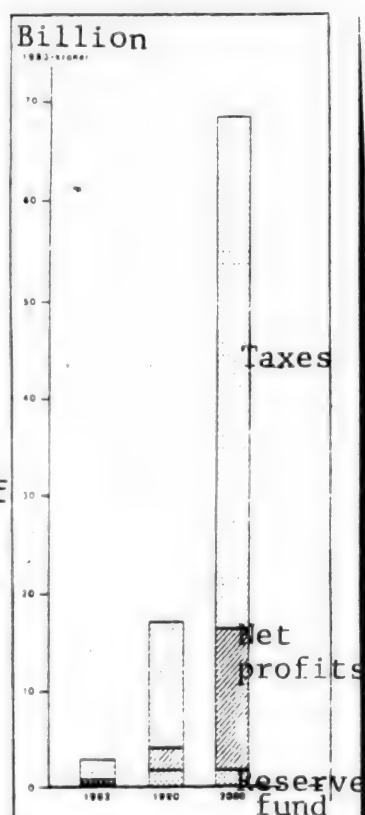


Chart shows growth of Statoil before-tax profits and their distribution between taxes, net profits and reserve fund until year 2000

GOVERNMENT, LABOR PARTY NEAR AGREEMENT ON OIL POLICY

Oslo AFTENPOSTEN in Norwegian 28 Mar 84 p 3

[Article by Morten Malmo]

[Text] Yesterday's political summit meeting with Prime Minister Kare Willoch could be the beginning of broad political unity on the future role of Statoil. AFTENPOSTEN learned that the exchange of ideas at the meeting helped elinate some differences, although several questions remain to be cleared up. This is especially true of whether or not the government should take over some of Statoil's shares, so that some of the oil revenues would go directly into the state treasury.

Both Prime Minister Kare Willoch and Labor Party leader Gro Harlem Brundtland indicated after yesterday's meeting that the chances of reaching unity were greater now than before. It already has been decided that another summit meeting on the Statoil question would be held in the near future. Yesterday the government presented a note on the Statoil reform. The government will now examine the objections the Labor Party has raised against the note.

AFTENPOSTEN learned that all the political parties represented at the meeting, i.e. the parties represented in parliament, indicated that a Statoil reform was needed.

The parties seemed to agree that, in the future, oil revenues should be paid directly into the state treasury instead of using the present system, whereby Statoil pays the government at certain intervals. The government believes this can be accomplished if the state assumes part ownership in certain Statoil fields. The Labor Party seems to believe that a certain percentage of revenues from a field should go to the state. In addition, the government would like to increase the control elected officials have on Statoil. The note that was presented yesterday indicated that, by this, the oil and energy minister means he would like to see more Statoil matters decided in his office.

9336

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STATOIL OFFICIAL SEES FIRM ENGAGING IN MORE VENTURES ABROAD

Oslo AFTENPOSTEN in Norwegian 28 Mar 84 p 3

[Article by Morten Malmo]

[Text] "After Statoil has been reformed, it can step up its activities both in Norway and abroad. Although Statoil's main task still will be to operate on the Norwegian continental shelf, the company's involvement abroad could become just as large within several years as the activities Statoil presently is conducting in Norway." The newly appointed vice-chairman of the Statoil board, former Oil and Energy Minister Vidkunn Hveding, told this to AFTENPOSTEN.

So far Statoil has been interested in activities on the Chinese continental shelf and possibly activities on the Danish and Dutch shelves. According to Hveding, a Statoil reform--which would mean that some Statoil revenues would go directly to the state and that Statoil would have less authority over other companies--would facilitate Statoil activities abroad. Hveding also believes that Statoil could become involved in countries other than the three mentioned above.

Gasoline Sales

The former oil and energy minister also said that a Statoil reform would make it possible for the company to increase its activities in the areas of oil refining and petrochemical production. This would be possible if part of the oil revenues went directly to the state treasury, so that Statoil would be permitted to make its decisions strictly from a business standpoint.

Hveding did not discount the possibility that the sale of gasoline and petroleum products could be expanded to include sales in other countries. Hveding would not say whether this would occur by the establishment of a chain of Norol gasoline stations abroad or by purchasing an existing retail chain, but he told AFTENPOSTEN that it was only natural for any oil company to be thinking along these lines.

Statoil Board

Hveding, who turned 63 yesterday, is now joining the Statoil board for the second time--once again as vice-chairman. Back in 1972 he was appointed to the

Statoil board by Finn Lied, who was industry minister at that time. The Statoil board was then under the leadership of Jens C. Hauge. In 1974 a new board was appointed with Lied as chairman but, at that time, only Aksel Fossen, now a member of parliament, was reappointed. Ole Myrvoll was also a vice-chairman on that newly appointed board.

When asked whether such boards should be appointed on the basis of political affiliation, Hveding said he agreed with Statoil's outgoing board chairman Finn Lied who told UKESLUTT last Saturday that board appointments to state-run businesses should not be based on political quotas.

According to existing legislation on corporations, board members must act in the best interest of their company, according to Hveding, again citing Lied. Hveding was asked whether or not Statoil and the new board would be able to cooperate, after all the commotion the new appointments had caused.

"The new appointees are top-flight people and I believe all sides will cooperate closely. I wish more of us had greater experience in large industries, such as STK director Fredrik Thoresen has. Personally, I have no such experience," said Vidkunn Hveding, who added:

"Even though the new board was appointed to give representation to the political parties, it is still a strong board."

Own Company

Since resigning from the cabinet, the former oil and energy minister also has joined the so-called IKO group, in which he heads his own company, IKO-vation. This company will provide assistance for industrial renovation. The company will have a broad range of activities: from relief work programs run by municipalities and companies to converting new business ideas into profitable companies. The market will decide whether a good idea will sell. As in most cases, this good idea we are beginning with will be reshaped along the way, so that the idea and technology will be molded to fit the market," Hveding said. This company, which already has been approached for assistance, will deal primarily with Norwegian businesses. Nevertheless, Hveding said that IKO-vation could become involved in foreign projects, for example the application in other countries of technology developed in Norway.

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BOOK CRITICIZES GOVERNMENT OIL POLICIES

Oslo AFTENPOSTEN in Norwegian 28 Mar 84 p 26

[Article by Flemming Dahl]

[Text] Oystein Noreng, professor of petroleum economy and administration at the Business Economy Institute and a frequent contributor to the Norwegian oil debate for many years, sharply criticized both the Labor Party and the Conservative Party in his new book, "Olje-Norge, det bevisstlose experiment" (Oil-Producing Norway: The Unconscious Experiment).

According to Noreng, not only the two major parties, but the entire Norwegian political system shares the responsibility for failing to develop as an oil-producing nation in the manner he would have preferred. He wrote that the political system was based on cooperation among interests of the various sectors and that solutions usually were found based on compromises and efforts to maintain the status quo.

"In retrospect, the Labor Party's lack of restraint with oil money during the 1970's may be called unconscious. Too much money was used to maintain traditional activities with too little knowledge of the consequences," the book states.

"But the austerity policies of the Conservative Party during the 1980's can be called deceitful. The surplus in the balance of payments and the cash reserves meant that the oil revenues were being withheld, again to maintain traditional activities. This was followed by official pessimism over economic developments," the book continued.

According to the author, today's high unemployment figures could have been avoided if the oil revenues had been managed differently. Noreng pointed out that a long-range strategy was needed to eliminate some of the distortions he perceived.

In his outline of how the situation should be managed, Noreng assumes that Norway will have large oil revenues for many years to come and that the country must deal with high cost levels in the future, as well.

The new book, published by Aschehoug, was presented at a press conference yesterday. Noreng pointed out that wages in this country must be linked more closely to productivity and that the more viable industries must be provided with more available capital.

In addition, more must be invested in education, research, development, the infrastructure, and good management, according to Noreng. He added that the government could play an important role as the driving force in this process.

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BRIEFS

STATOIL MISSED CHINA OPPORTUNITY--"The Norwegian oil-related industry has lost opportunities because Statoil did not get Norwegian authorities' permission to engage in oil explorations on the Chinese continental shelf," Lars Uno Thulin, deputy administrative director of Den Norske Creditbank, pointed out at the RFSP [Council for Research and Social Planning] conference. "Let us discuss how Statoil should be controlled and managed, but let us not lose chances and opportunities due to our involvement in a theoretical national debate," said Thulin, former Ministry of Industry undersecretary in the Labor Party government. "In my opinion, it is quite clear that we have lost opportunities in China because we failed to aggressively pursue the position developed by our advisers to China. By using Norwegian oil companies--preferably all three--as lead soldiers in the struggle for new markets, most other Norwegian companies and institutions will be in far better competitive position as well." Thulin felt that there is really no disagreement on this point: "The alarming thing is that we fail to seize opportunities when they present themselves." [Text] [Oslo AFTENPOSTEN in Norwegian 15 Mar 84 p 36] 8952

CSO: 3639/92

PAPER COMMENTS ON MINISTER'S PROPOSALS ON ENERGY

Stockholm SVENSKA DAGBLADET in Swedish 30 Mar 84 p 2

[Editorial: "Black Outlook for Coal"]

[Text] Knowledge about the damage to nature as a result of the combustion of coal and other fossil fuels is rapidly increasing. With modern stack gas purification technology there are now also possibilities for drastically reducing emissions into the air, both of heavy metals and of the other substances that contribute to pollution and death in nature. The problem that occurs is purely economic: Will it be possible to compete with coal combustion, if the costs of "safety" are pushed too high?

Despite the tightened regulations which the government has proposed, the government is predicting an increase in total coal consumption in Sweden. This is another piece of evidence of how difficult it is to pursue a coherent energy policy, when one is not allowed to implement the "best" alternative.

The policy we have had up to now regarding environmental demands has been conditioned more by opportunism than by insight and reflection. Environmental demands for newly built coal facilities have been tightened in a constant pursuit of demonstrative efficiency. It is by no means certain that this will benefit the environment. Actually, how much pollution comes from the combustion plants we have is more important than from those we do not have. And the principal effect of the constantly tightened environmental controls is that we will not get any new facilities but will get to keep the old--and dirty--oil-burning plants.

11949

CSO: 3650/167

MINISTER PRESENTS ENERGY PROGRAM PROPOSALS

Stockholm SVENSKA DAGBLADET in Swedish 30 Mar 84 p 6

[Article by Henrik Ekman: "Protected Rivers May Be Dammed"]

[Text] "Hydroelectric power is a domestic, environmentally safe and cheap source of energy," said Energy Minister Birgitta Dahl on Thursday when she presented her bill on hydroelectric power.

Her plan is also considerably more comprehensive than the memorandum last fall from the Commission on Hydroelectric Power.

The commission's task was to find out how hydroelectric power can be expanded so that it will provide 66 terawatt hours (TWh = billion kilowatt hours) in 1990.

A crucial question was just how much of an additional increase will be necessary at that time. After all, this depends on how much water flows in one year. The commission settled on 2.5 TWh.

In order to be sure of reaching that level of expansion, a margin of about 0.5 TWh was included, which meant that some controversial river sections, such as the Ammer River in Jamtland and Klippen in the Ume River, were included.

The power industry was of the opinion that the margin was much too narrow, and Birgitta Dahl now thinks so too. The bill suggests a 3.8 TWh plan. The margin is therefore 1.3 TWh instead of 0.5.

Precisely which controversial rivers might be in the danger zone is not quite clear, however. In today's situation the government shows only projects totalling 2.8 TWh. The remainder will be included in a department memorandum to be circulated for consideration later this year.

At the press conference Birgitta Dahl was not prepared to exclude the possibility that the list will include waters which are protected in accordance with the national physical planning.

The catalog of projects in Thursday's bill differs on some points from that of the Commission on Hydroelectric Power. Most notable is perhaps that the government wants to dam the lower Langan, as SVENSKA DAGBLADET reported earlier. In return, two power plants on nearby Harkan are eliminated.

Another body of water, which was not included in the commission's plan, but which the government has included, is the Hyl Stream in Voxnan, a river which flows into Ljusnan just south of Bollnas.

In the Langan case the government refers to local interests. To be sure, the most immediately affected municipality of Krokum says no, but Ostersund municipality and the regional government say yes. Birgitta Dahl is doing the opposite with Vojman in Vilhelmina municipality. There the municipality has definitely rejected damming and instead advocated a diversion of the water to lake Malgomaj, the so-called Fatsjo diversion.

The commission very clearly said that employment must only be allowed to determine the question of damming if it is a matter of choice between two equivalent objectives. This aspect plays a considerably greater role in the bill.

"We tried to get more thoroughly contemplated planning for employment and regional equalization," Birgitta Dahl said.

Norrbottnen will get 1,750 employment years, Vasterbotten 1,200, Angermanland about 1,000 and Jamtland slightly more than 2,000. To these should be added 3,000 in the rest of Sweden, plus equally many within the manufacturing industry.

Birgitta Dahl greatly stressed the importance of keeping the competency in the hydroelectric area in order to maintain freedom of action.

"Time is running out," she said. "We must not end up in a situation of not being able to expand hydroelectric power if it is needed for a reduction of nuclear power."

From that perspective she also did not want to give any guarantees for saving the four major rivers.

Conservation, alternatives such as heat pumps and peat, as well as increased electric heating, have reduced the need for coal from the estimated 4-6 million tons to 3-4 million tons a year toward the end of the 1980's, the government concludes in its coal bill presented on Thursday.

Even before that, Energy Minister Birgitta Dahl had proposed a special study from the aspect of energy policy of all new facilities with more than 500 kilowatt (KW) additional capacity.

The applicant must have studied all other alternatives before coal will be approved.

The government now wants to go even further and tighten environmental controls as well.

It is proposed that larger facilities, with sulfur emissions in excess of 400 tons per year, should be allowed 0.05-0.1 grams of sulfur as a maximum permissible discharge per additional megajoule (MJ) fuel. In comparison may be mentioned that burning heavy oil with 1 percent sulfur results in 0.24 grams sulfur emissions per MJ.

This is a considerable restriction and implies that the government is following the suggestions by the Coal-Health-Environment study. For smaller facilities an interval of 0.10-0.17 grams of sulfur is proposed for the maximum permissible discharge per MJ fuel.

Under these requirements the total annual sulfur emissions in Sweden would drop by 20,000 ton to 30,000 ton, in the opinion of Agriculture Minister Svante Lundkvist. This would in turn provide us with good opportunities for meeting the commitment of reducing emissions by 30 percent from 1980 to 1990, as Sweden has pledged internationally.

The same emission demands are also to apply for other fuels such as peat, the government proposes.

The technique of burning coal in an environmentally safe manner has progressed so rapidly that we are no longer dependent on importing extremely low-sulfur oil, Energy Minister Birgitta Dahl says. This has given us an increasingly assured supply.

Furthermore, it has opened up new export opportunities for Swedish industry, which is well ahead when it comes to desulfurization and new combustion methods.

"All new coal plants are equipped with one of the new techniques," Birgitta Dahl said during presentation of the bill. In nearly all instances the contract has gone to Swedish industry in tough competition.

Each year 100 million kronor are distributed from the so-called coal environmental fund in order to subsidize the introduction of environmentally safe technology. The government proposes that the fund should be given an extra contribution of 500 million kronor over 5 years.

11949

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BARCELONA MOUNTS EXTENSIVE AIR POLLUTION BATTLE

Barcelona AVUI in Catalan 29 Mar 84 p 3

[Article by E. Sabartes]

[Text] The Metropolitan Corporation of Barcelona has prepared the first pollution prevention, reduction and inspection plan in Spain. It covered three basic areas of action: motor vehicles, industry and heating.

Barcelona--the Barcelona Metropolitan Corporation has prepared an important plan of action for the reduction and inspection of air pollution which as a first step began to be put into operation on motor vehicles in the month of February.

This is the first formal air pollution prevention and reduction plan in Barcelona and the Barcelona metropolitan area, since up to now antipollution measures were limited to emergency plans to face acute episodes.

The idea of preparing such a plan and putting it into operation arose from the municipal governments of this area most affected by this problem: Santa Coloma de Gramenet, Badalona, Sant Adria de Besos, Hospitalet and Barcelona. However, the technical secretary of environment of the Barcelona city council, coordinator of the plan, wishes to extend it to the whole industrial belt.

"This is a comprehensive plan," stated Josep Marti, coordinator of environment, "which will be carried out in each municipality in line with its organization. We have prepared a comprehensive plan because pollution is a common problem which can only be solved by concerted action: the air has no borders."

For pollution prevention, reduction and inspection, use will be made of the already existing continuous surveillance systems and the automatic air pollution levels detection network which is part of Catalonia's national network will be put into operation.

"This will allow us," Josep Marti added, "to detect a greater number of contaminants and have hourly results. We will be able to adapt to pollution episodes more exactly and evaluate our programs more precisely. This network will make it possible for us to know what is happening, where and at what time, and consequently take effective action."

The plan of action will evolve on three fronts. On one of these, which has already begun, it is proposed to reduce atmospheric emission of motor vehicle gasses and smoke. It is calculated that motor vehicles are responsible for precisely 51 percent of the air pollution level.

To this effect, in the month of February the first inspections were started, which lasted all month, both on gas and gas-oil driven vehicles, at three stations located at strategic points in the city of Barcelona, Catalunya Square, Meridiana Avenue and Sagrera Street and at the same time inspection was begun of the vehicle emissions by the Barcelona Transport Company.

Of the total number of inspections carried out, 2,786, the vehicles that responded to the required conditions were 1,866 and those that had some irregularity came to 920, almost 33 percent.

"These days," continued Marti, "we propose to inspect 10 percent of the vehicular traffic of Barcelona, which means some 60,000 vehicles, including the buses of the Barcelona Transport Company."

Energy Exchange

On the second front of action, that of industries, the Metropolitan Corporation has established four priority sectors, electrical industries, cement factories, glass factories and electric arc steel mills. "Action will begin in the big factories," explained the head of environment, "but each municipal government will be able to solve whatever focal points there may be within their municipality. This chapter of the program," he continued, "is in the hands of the Corporation, which is responsible for negotiating energy exchanges: basically the replacement of fuel by gas."

Still, this is a problem of energy policy and of prices that ultimately is the responsibility of the central government. "Natural gas contaminates less and is more economical," Josep Marti added.

In the last chapter on implementing the plan, heating is envisaged to be the priority action for big plants, like hospitals, banks, big blocks with central heating, residences, etc. etc. that burn liquid or solid fuels. Inspections will be made so as to regulate combustion by regulating burners and inspecting those in service and out of work, moments of high emission of contaminants. "With these implementation," Josep Marti continued, "we will obtain the same as with the other two: fuel conservation and reduction of atmospheric emissions."

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MERCURY CONTAMINATION OF WATERS CONTINUES DESPITE CONTROLS

Stockholm SVENSKA DAGBLADET in Swedish 25 Mar 84 p 7

[Article by Inger Atterstam: "Mercury Content Increasing Despite Lower Emissions"]

[Text] The problems of mercury discharge in Sweden are considerably greater today than what was previously known.

The development implies that far more lakes should be blacklisted for reasons of excessive mercury content in the fish.

It is likely that diet recommendations for the consumption of fish must be changed, at least for pregnant women.

These are the words of Prof Oliver Lindqvist at Chalmers Institute of Technology in Goteborg. For a period of 5 years he is to head a major project to study the mercury situation in Sweden.

It is the Environmental Protection Agency which has decided on the study. It is supported financially and in other ways by the power industry and other companies. The total cost of the study will be 9 million kronor, divided into 1.8 million a year.

The reason for this effort is that despite major contributions to reduce the mercury pollution, we Swedes have not achieved any decrease in the mercury content of fish, for example. Instead, the levels have constantly increased until today they are an average of five to ten times higher than 100 years ago.

A large number of lakes in Sweden are affected. Only lakes in northern Norrland have levels that are not disturbingly high.

The average mercury content is between 0.7 and 1.0 mg mercury per kilogram pike, and in a large number of lakes the blacklist limit of 1.0 mg is exceeded.

A large portion of the mercury arrives with air pollution from abroad. In addition, the continuing acidification has the effect that mercury lying on the bottom of the lakes is released and begins to be circulated. The

acidification also accelerates the conversion of mercury into more easily absorbed forms.

There is also great risk that in the future our domestic mercury sources will increase, primarily from coal combustion and garbage incineration.

"Along the municipal garbage burning, which is becoming increasingly common, poses the risk that more mercury will be discharged into the environment," Professor Lindqvist says.

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